

PORT OF HOOD RIVER COMMISSION
Tuesday, February 5, 2013
Marina Center Boardroom
5:00 p.m.

Regular Session Agenda

1. Call to Order
 - a. Modifications, Additions to Agenda
 2. Public Comment (5 minutes per person per subject; 30 minute limit)
 3. Consent Agenda
 - Approve Minutes of January 22, 2013 Regular Session Meeting
 - Approve Contract with Secure Pro Technologies, LLC in the Amount of \$7,300 for Installation of Cameras in the Marina Park and Changes to the Exit Button on the Marina Gate
 - Authorize 1-year Joint Funding Agreement with the US Geological Survey for the Installation of a River Gauge Subject to Legal Counsel Review
 - Authorize Amendment No. 3 to the Lease and Lease Guaranty with Cascadia Brewing Company, LLC
 - Authorize Amendment with Columbia Room, Inc. to Extend the Marina Fuel Operations and Lease Agreement to Terminate on July 31, 2016
 - Approve Lease with the Hood River County Chamber of Commerce for Breezeway Unit 6 at the Jensen Building
 - Approve Lease with Perry Platt for Breezeway Unit 5 at the Jensen Building
 - Ratify Lease with Pocket Fuel in the Big 7 Building
 - Approve Accounts Payable to TraneOregon in the Amount of \$11,125
 4. Commissioner, Committee Reports
 - Marina Ad-Hoc Committee-Davies
 5. Director's Report
 - Schedule
 - Staff & Administration
 - Waterfront Recreation
 - Waterfront Development
 - Airport
 - Bridge/Transportation
 6. Reports, Presentations and Discussion Items
 - Event Site High Water Plan
 - Building Function Assessment
 7. Action Items
 - a. Authorize Contract with Flowing Solutions for Engineering Services Associated with the Marina Boathouse Docks Not to Exceed \$9,470 Plus Reasonable Reimbursable Expenses
 - b. Authorize Contract with MKE Electrical Engineers for Marina Electrical Engineering Services Not to Exceed \$8,000 Plus Reasonable Reimbursable Expenses
 - c. Approve Revised Real Estate Policy
 8. Commission Call
-
9. Executive Session under ORS 192.660(2)(e) Real Property
 10. Adjourn

*The chair reserves the opportunity to change the order of the items if unforeseen circumstances arise. The Commission welcomes public comment on issues not on the agenda during the public comment period. With the exception of factual questions, the Commission does not immediately discuss issues raised during public comment. The Commission will either refer concerns raised during public comment to the Executive Director for a response or will request that the issue be placed on a future meeting agenda. People distributing copies of materials as part of their testimony should bring **10 copies**. Written comment on issues of concern may be submitted to the Port Office at any time.*

**Port of Hood River Commission
Meeting Minutes of January 22, 2013 Regular Session
Marina Center Boardroom
5:00 P.M.**

THESE MINUTES ARE NOT OFFICIAL until approved by the Port Commission at the next regular meeting.

Present: Commissioners Jon Davies, Fred Duckwall, Brian Shortt and Rich McBride (Skype); Attorney Jerry Jaques; from staff, Michael McElwee, Stephen Burdick, Fred Kowell, and Mellissa Halseth

Absent: Commissioner Hoby Streich

Media: None

1. CALL TO ORDER: President Jon Davies called the meeting to order at 5:02 p.m.

a. Modifications, Additions to Agenda: None.

2. OPEN OREGON STATE MARINE BOARD PUBLIC HEARING

▪ Randy Henry, Oregon State Marine Board, called the public hearing to order at 5:03 p.m. The purpose of the hearing is to receive any public comment on the application submitted by the Port of Hood River for buoys at the Event Site that say "Slow No Wake Zone." Henry explained that the public hearing would remain open for approximately 1-1/2 hours.

3. PUBLIC COMMENT: Alan Winans presented the Commission with an idea for a Park & Ride. This concept has been entered into public record with these minutes. Miglena Stanchera talked to the Commission about a healthy vending machine option at the Event Site. The information has been entered into public record with these minutes. Tina Dye spoke to the Commission about her expired bridge tickets. She stated that she and her husband own a small trucking company and still had \$450 in expired tickets that were no longer accepted. Davies explained that they would discuss the use of expired tickets later in the meeting during the Director's Report.

4. CONSENT AGENDA:

- Approve Minutes of January 8, 2013 Regular Session Meeting
- Approve Personal Services Contract with Jack Lerner Computer Support in the Amount of \$15,000 Subject to Legal Counsel Review
- Approve Property and General Liability Policy Renewals with Special Districts Association of Oregon

**The Consent Agenda was moved to Action Items.

5. COMMISSIONER, COMMITTEE REPORTS:

▪ Urban Renewal Agency – Commissioner Shortt reported on the January 17 meeting. The financial audit was presented. Shortt also reported on the shortage of ball fields in the county. There are 7 different parcels that have been identified. The top 3 or 4 picks will be contacted.

6. DIRECTOR'S REPORT: McElwee highlighted the following areas:

- Schedule –The Hood River City Council is holding a goal setting session February 2, which McElwee plans to attend. The SDAO annual conference is February 8-9, which McBride will attend. Hal Hiemstra, Ball Janik will be in town January 29 to visit with Commissioners. Commissioners should contact McElwee to set up an appointment if interested. Mission to Washington is in March and McElwee and Davies plan to attend unless another Commissioner would like to go. Consensus was to have the current Boar President and Executive Director to attend.
- Recreation – Staff has submitted two grant applications seeking funds for a waterfront pedestrian/bike path along the west edge of the Nichols Basin. Staff is researching a joint agreement with USGS to install a river gauge in the Marina. This gauge would help determine proper procedures at the Event Site and also to assist the Toll Collectors to determine if a bridge lift is necessary. Shortt encouraged staff to incorporate wind speeds and direction on the website

where the water level information will be available. Staff will bring back a proposal with price and annual cost at the next meeting.

- Development – TraneOregon has made all of the repairs to the HVAC system in the Halyard building, a large bill will be coming in February.
- Airport – Steve Burdick, Development Manager, assisted in a successful ownership transaction between AeroSpray and Duane Troxell.

**Commissioner McBride joined the meeting at 5:50 p.m. by Skype.

- Bridge/Transportation – The Commissioners discussed the use of expired tickets after the December 31, 2013. The following action was a result of this discussion:

Motion: Move to Authorize a new policy that tickets purchased prior to December 31, 2011 may be used as credit to set up a BreezeBy account or exchanged for new tickets at the 2012 toll rates. The old tickets must be exchanged at the Port of Hood River office; they will not be accepted at the Toll Booth. There is no deadline for this exchange to occur.

Move: Shortt

Second: Duckwall

Vote: **Aye:** Davies, Duckwall, McBride and Shortt

Absent: Streich

MOTION CARRIED

*Staff will work with legal counsel to prepare an affidavit for customers who have thrown tickets away prior to the new policy.

7. REPORTS, PRESENTATIONS AND DISCUSSION ITEMS:

- 2013 Project List – McElwee reviewed the proposed project list with the Commission.

*Heather Staten, suggested including a public process in the first 6-months regarding the proposed Nichols Basin pathways.

The Commissioners made the following suggestions: add a section for Commissioner Tasks to include assisting with the Strategic Plan, and state and federal lobbying efforts. Include public input in Waterfront Narrative. Contact a sub-contractor for traffic counts. Possibly ask ODOT if they could lend out the counters. Split the Lot 1 Planning to include sections for the water's edge, the uplands and a parking strategy. There will be review of the Project List at Spring Planning.

- 2013 Marina Action Plan – McElwee and Mellissa Halseth, Marina Manager gave an overview of the plan. Andrew Jansky, Flowing Solutions also answered questions. There was brief discussion with members of the audience to bring them up to speed about the Marina Action Plan. Consensus was to move forward with the electrical upgrade quickly. There was a brief discussion on the boathouses as to whether they should remain in the basin. Consensus was to prepare designs and plans and apply for permitting. The Commission will revisit the project after permitting is received and will discuss alternate leasing options at a later date. There was a request from the Marina Ad-hoc Committee to make the key card access restrooms at Marina exclusive to moorage tenants. There was consensus that they could be exclusive for winter closure of October 1 thru April 15.
- Board Communications – Fred Kowell, Finance Manager provided the new Commission email procedure. Packets will be posted on the website and emailed to the Commission beginning February 1 for the next packet. Commissioners are to get back to Kowell with their preference for an electronic device to view packets at meetings.

8. ACTION ITEMS:

a) Approve Lease with Pocket Fuel, LLC in the Halyard Building: There was no discussion.

Motion: Move to Approve Lease with Pocket Fuel, LLC in the Halyard Building
Move: Duckwall
Second: Shortt
Vote: **Aye:** Davies, Duckwall, McBride and Shortt
Absent: Streich
MOTION CARRIED

b) Approve Change Order No. 7 with S & K Painting in the Amount of \$132,720 for Additional Flagging Services: At the end of the project total flagging hours exceeded the initial estimate. Flagging costs, including this additional amount, was 6.9% of the total construction cost.

Motion: Move to Approve Change Order No. 7 with S & K Painting in the Amount of \$132,720 for Additional Flagging Services
Move: Duckwall
Second: McBride
Vote: **Aye:** Davies, Duckwall, McBride and Shortt
Absent: Streich
MOTION CARRIED

c) Approve Minutes of January 8, 2013 Regular Session Meeting: Moved from the Consent Agenda

Motion: Move to Approve Minutes of January 8, 2013 Regular Session Meeting
Move: Duckwall
Second: McBride
Vote: **Aye:** Davies, Duckwall, McBride and Shortt
Abstained: Shortt because he was not present for the January 8 meeting
Absent: Streich
MOTION CARRIED

d) Approve Personal Services Contract with Jack Lerner Computer Support in the Amount of \$15,000 Subject to Legal Counsel Review: Moved from the Consent Agenda

Motion: Move to Approve Personal Services Contract with Jack Lerner Computer Support in the Amount of \$15,000 Subject to Legal Counsel Review
Move: McBride
Second: Duckwall
Vote: **Aye:** Duckwall, McBride and Shortt
Abstained: Davies because Jack Lerner is a client
Absent: Streich
MOTION CARRIED

e) Approve Property and General Liability Policy Renewals with Special Districts Association of Oregon: Moved from the Consent Agenda

Motion: Move to Approve Property and General Liability Policy Renewals with Special Districts Association of Oregon
Move: Duckwall
Second: Shortt

Vote: **Aye:** Duckwall, McBride and Shortt
Abstained: Davies because Columbia River Insurance is his employer
Absent: Streich
MOTION CARRIED

9. COMMISSION CALL: None.

10. CLOSE OREGON STATE MARINE BOARD PUBLIC HEARING

- Randy Henry asked if there was anyone in the audience that would like to comment on the placement of the buoys. There was no comment and the public hearing was closed at 6:44 p.m.

11. EXECUTIVE SESSION: Regular Session was recessed at 8:10 p.m. and the Commission was called into Executive Session under ORS 192.660(2)(e) Real Property and ORS 192.660(2)(f) Exempt Documents. The Commission was called back into Regular Session at 8:31 p.m. There was no action taken as a result of Executive Session.

12. ADJOURN: President Davies adjourned the meeting at 8:31 p.m.

Respectfully submitted,

Mellissa Halseth

ATTEST:

Jon Davies, President, Port Commission

Rich McBride, Secretary, Port Commission

Commission Memo

To: Commissioners
From: Mellissa Halseth
Date: February 5, 2013
Re: Marina Park Cameras

Staff is requesting installation of three cameras in the Marina Park – at the Marina Gate, South Basin Dock Gate and Boat Parking Lot Restrooms.

After the business day, there is no one to observe these areas. These facilities are vulnerable to vandalism and theft.

These cameras would allow the Port to offer complete secure moorage to our tenants and deter unauthorized admittance into the moorage slips. A camera at the restrooms in the boat parking lot would deter vagrants from vandalizing the restrooms after staff has gone home and this would reduce staff time for clean up.

The Port applied for and received a Safety & Security Matching Grant from SDAO of \$3,000 to assist in the cost of installing the cameras.

Staff is also requesting that the Push-to-Exit button on the Marina gate be moved approximately 10 feet down the ramp to assist in preventing unauthorized admittance into the moorage slips. The cost associated with this adjustment is \$290 and is not included in the matching funds for the safety grant.

RECOMMENDATION: Approve Contract with Secure Pro Technologies, LLC in the Amount of \$7,300 for Installation of Cameras in the Marina Park and Changes to the Exit Button on the Marina Gate

Equipment Quotation for: **Port of Hood River**

Location Name: Main Parking Restrooms

Location City: Hood River

State OR

Bldg/Store#

Item Code	Item Description	Qty	Each	Total
ADCI210-D121	IP Mini Dome Camera 3-9mm, WDR,VR	2	\$720.00	\$1,440.00
NG4POE	4 Port POE Switch	1	\$115.00	\$115.00
SD32GB	32 GB Card for onboard camera recording	2	\$85.00	\$170.00
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RECEIVED
 FEB 01 2013

**This Proposal includes savings
 of more than \$**

Quote Valid for 30 Days from Date on Quote.
 Freight not included in totals.

Total Equipment Quotation:	\$1,725.00
Installation:	\$1,160.00
Quotation Total:	\$2,885.00

Equipment Quotation for: Port of Hood River

Location Name: Float Plane Gate

Location City: Hood River

State OR

Bldg/Store#

<u>Item Code</u>	<u>Item Description</u>	<u>Qty</u>	<u>Each</u>	<u>Total</u>
ADC1210-D021	IP Mini Dome camera WDR, 3-9mm, VR illum	1	\$770.00	\$770.00
NG4POE	4 Port POE Switch	1	\$115.00	\$115.00
SD32GB	32 GB on board camera storage	1	\$85.00	\$85.00
Housing	Dome Mount	1	\$90.00	\$90.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
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RECEIVED
FEB 01 2013

This Proposal includes savings of more than \$

Quote Valid for 30 Days from Date on Quote. Freight not included in totals.

Total Equipment Quotation:	\$1,060.00
Installation:	\$1,130.00
Quotation Total:	\$2,190.00

Equipment Quotation for: **Port of Hood River**

Location Name: Marina Gate Camera

Location City: Hood River **State:** OR **Bldg/Store#:**

Item Code	Item Description	Qty	Each	Total
ADCI400-B021	1 P Bullett Camera 2/3MP Htr Illuminator	1	\$945.00	\$945.00
NG4POE	4 Port POE Switch	1	\$115.00	\$115.00
SD32GB	32 GB SD card	1	\$85.00	\$85.00
				\$0.00
				\$0.00
				\$0.00
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**This Proposal includes savings
of more than \$**

RECEIVED

FEB 01 2013

Quote Valid for 30 Days from Date on Quote. Freight not included in totals.

Total Equipment Quotation:	\$1,145.00
Installation:	\$790.00
Quotation Total:	\$1,935.00



P O Box 478
 Corbett, OR 97019
 (503) 674-2613 - Main Sales Office
 (503) 491-4593 - Main Sales Fax
 sales@secureprotech.com
 EIN: 26-0069820

Equipment Quotation for: Port of Hood River

Location Name: Marina Gate Request to Exit Button

Location City: Hood River

State: OR

Bldg/Store#

Item Code	Item Description	Qty	Each	Total
REX T2	Request to Exit button with timer	1	\$125.00	\$125.00
				\$0.00
				\$0.00
	Move Marina Request to exit to fence			\$0.00
	approximately 10 feet from door on			\$0.00
	dock walkway			\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
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RECEIVED
 FEB 01 2013

**This Proposal includes savings
 of more than \$**

Quote Valid for 30 Days from Date on Quote. Freight not included in totals.

Total Equipment Quotation:	\$125.00
Installation:	\$165.00
Quotation Total:	\$290.00

Commission Memo

To: Commissioners
From: Liz Whitmore
Date: February 5, 2013
Re: River Gauge – Port/USGS Joint Funding Agreement

Staff is requesting authorization to sign a 1-year Joint Funding Agreement with the US Geological Survey for the installation and operation of a river gauge to be located on the pilings of the cruise ship dock on the north side of the Marina.

- Cost to the Port of Hood River for installation and operation is \$6000. USGS will pay \$4000 with Federal matching funds.
- The Port's contribution for additional years would be \$3600 for maintenance and operation.
- Several community businesses/organizations have expressed interest in sponsoring the gauge with a potential contribution for 2013 of \$1000. Sponsor name/logo will be included on Port website adjacent to link for gauge on the USGS website.

A copy of the joint funding agreement is attached for your review.

RECOMMENDATION: Authorize 1-year Joint Funding Agreement with the US Geological Survey for the installation of a river gauge subject to legal counsel review.

Form 9-1366
(Oct. 2005)

**U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement**

Customer #: 6000003205
Agreement #:
Project #:
TIN #: 93-6002559
Fixed Cost Agreement Yes No

**FOR
OREGON WATER SCIENCE CENTER**

THIS AGREEMENT is entered into as of the 1st day of October, 2012, by the U.S. GEOLOGICAL SURVEY, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the PORT OF HOOD RIVER, party of the second part.

1. The parties hereto agree that subject to availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation a stage gage data collection program at the Port of Hood River near Hood River, Oregon, herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50; and 43 USC 50b.
2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) includes In-Kind Services in the amount of \$0.

(a) \$4,000 by the party of the first part during the period
October 1, 2012 to September 30, 2013

(b) \$6,000 by the party of the second part during the period
October 1, 2012 to September 30, 2013

(c) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.

(d) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.
4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.
5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.
6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.
7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

Form 9-1366
continued

U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement

Customer #: 600003205
Agreement #:
Project #:
TIN #: 93-6002559

- 8. The maps, records, or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records, or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program and, if already published by the party of the first part shall, upon request, be furnished by the party of the first part, at costs, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records, or reports published by either party shall contain a statement of the cooperative relations between the parties.
- 9. USGS will issue billings utilizing Department of the Interior Bill for Collection (form DI-1040). Billing documents are to be rendered **annual**. Payments of bills are due within 60 days after the billing date. If not paid by the due date, interest will be charged at the current Treasury rate for each 30 day period, or portion thereof, that the payment is delayed beyond the due date. (31 USC 3717; Comptroller General File B-212222, August 23, 1983).

U.S. Geological Survey
United States
Department of the Interior

The Port of Hood River

USGS Point of Contact


Customer Point of Contact

Name: Keith Overton
Address: USGS ORWSC
2130 SW 5TH Avenue
Portland, Oregon 97201
Telephone: 503-251-3246
Email: 503-251-3470

Name: Michael McElwee
Address: Port of Hood River
1000 East Port Marina Drive
Hood River, Oregon 97031
Telephone:
Email:

Signatures

Signatures

By  Date 1/24/13
Name: James D. Crammond
Title: Center Director

By _____ Date _____
Name:
Title:

By _____ Date _____
Name:
Title:

By _____ Date _____
Name:
Title:

By _____ Date _____
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Title:

By _____ Date _____
Name:
Title:

Commission Memo

To: Commissioners
From: Steve Burdick
Date: February 5, 2013
Re: Pfriem Brewing, Third Addendum to Lease and Lease Guaranties

The lease between the Port and Cascadia Brewing Company (Pfriem Brewing) provided for the lease term to begin on March 1, 2012 or upon receipt of the temporary occupancy permit whichever occurred later. It happened that the date of the temporary occupancy permit (July 16, 2012) became the lease commencement date.

However, although it was not the intent of either party, the rental section of the lease tied the periods during which differing rents would be due solely to the March 1, 2012 date and did not allow for tying the rental schedule to the actual occupancy date.

Now that the premises are occupied, it is timely to amend the lease to reflect the intent of the parties. The amended rental schedule is proposed to be as follows:

Date	Square Footage	Rate	Monthly Total
July 16, 2012 – December 31, 2012	4,915 Manufacturing 914 Office / Storage	\$0.00 \$0.00	\$0.00
January 1, 2013 – June 30, 2013	4,915 Manufacturing 914 Office / Storage	\$0.88 \$0.22	\$4,526.28
July 1, 2013 – June 30, 2014	4,915 Manufacturing 914 Office / Storage	\$0.88 \$0.44	\$4,727.36
July 1, 2014 – June 30, 2015	4,915 Manufacturing 914 Office / Storage	\$0.88 \$0.66	\$4,928.44
July 1, 2015 – June 30, 2017	4,915 Manufacturing 914 Office / Storage	\$0.88 \$0.88	\$5,129.52

The amended term is proposed to be July 16, 2012 to June 30, 2017. Rent is due on the first day of the month beginning January 1, 2013. The lease may be extended for two five year terms to June 30, 2022 and June 30, 2027.

RECOMMENDATION: Authorize the Third Amendment to the Lease and Lease Guaranty with Cascadia Brewing Company, LLC.

THIRD ADDENDUM TO LEASE AND LEASE GUARANTIES

On December 5, 2011, Port of Hood River, an Oregon municipal corporation, as Lessor, and Cascadia Brewing Company, LLC, an Oregon limited liability company, now known as Pfriem Brewing Company, LLC, Lessee executed a Lease for premises known as Suite 101 in the Halyard Building at 707 Portway Avenue, Hood River, Oregon. Such lease was subsequently amended by a first addendum on February 9, 2012 and again by a second addendum on September 3, 2012.

The lease between the Port and Cascadia Brewing Company (Pfriem Brewing) provided for the lease term to begin on March 1, 2012 or upon receipt of the temporary occupancy permit whichever occurred later. It happened that the date of the temporary occupancy permit (July 16, 2012) became the lease commencement date.

However, although it was not the intent of either party, the rental section of the lease tied the periods during which differing rents would be due solely to the March 1, 2012 date and did not allow for tying the rental schedule to the actual occupancy date.

Now that the premises are occupied, it is timely to amend the lease to reflect the intent of the parties.

Now, therefore the first sentence of the second section (Term) of the lease is hereby amended to read as follows, "The lease term shall be for the period commencing July 16, 2012, and continuing through June 30, 2017".

The third section (Lease Extension) is hereby amended to read as follows, "If not in default, and if Lessee pays Lessor all real property taxes Lessee owes or may be responsible to pay under the terms of the lease, Lessee has the option extend the lease for two (2) five-year renewal terms, through June 30, 2022 and June 30, 2027, provided Lessee gives Lessor written notice of Lessee's intent to renew the lease no later than April 1 in the year of the lease's termination date".

The table in the fourth section (Rental) is hereby amended to read as follows:

Date	Square Footage	Rate	Monthly Total
July 16, 2012 - December 31, 2012	4,915 Manufacturing 914 Office / Storage	\$0.00 \$0.00	\$0.00
January 1, 2013 - June 30, 2013	4,915 Manufacturing 914 Office / Storage	\$0.88 \$0.22	\$4,526.28
July 1, 2013 - June 30, 2014	4,915 Manufacturing 914 Office / Storage	\$0.88 \$0.44	\$4,727.36
July 1, 2014 - June 30, 2015	4,915 Manufacturing 914 Office / Storage	\$0.88 \$0.66	\$4,928.44
July 1, 2015 - June 30, 2017	4,915 Manufacturing 914 Office / Storage	\$0.88 \$0.88	\$5,129.52

The first sentence of the third paragraph of the fourth section (Rental) is hereby amended to read, "All rental amounts are payable in advance on the first day of the month, beginning January 1, 2013".

Except as amended by this Third Addendum to Lease and Lease Guaranties, all terms of the Lease, the original Promissory Note, First Addendum to Lease and Lease Guaranties and Addendum No. 2 to Lease and Lease Guaranties shall remain unchanged and in full force and effect.

Dated: _____, 2013

Cascadia Brewing Co, LLC
Pfriem Brewing Co, LLC

Port of Hood River

By: _____
Kenneth Stephen Whiteman
General Manager

By: _____
Michael McElwee
Executive Director

Personal Guarantor of Promissory Note

Rudolph Kellner

Kenneth Stephen Whiteman

Joshua Alden Pfriem

Commission Memo

To: Commissioners
From: Steve Burdick
Date: February 5, 2013
Re: Marina Fuel Operations and Lease Agreement - Extension

In 2005 a Marina Fuel Operations and Lease Agreement was executed between the Port and Columbia Room, Inc. doing business as Hood River Shell and Marina Mart. Per the agreement provisions, this agreement was subsequently extended to June, 2011. While both parties performed in accordance with all provisions of the agreement, the agreement was never officially extended.

Under the agreement the Lessee pays the Port \$25 per month plus \$0.065 per gallon of gas sold. At the time of the original agreement, the Lessee received \$0.30 per gallon from Shell and this arrangement continues now. So, although fuel prices have increased, the Lessee does not receive any more money per gallon than they received in 2005.

There have been no performance issues during the term of the lease.

Staff recommends amending the existing lease to extend the term to terminate on July 31, 2016.

RECOMMENDATION: Authorize an amendment with Columbia Room, Inc. to extend the Marina Fuel Operations and Lease Agreement to terminate on July 31, 2016.

AMENDMENT TO FUEL OPERATIONS AND LEASE AGREEMENT

WHEREAS, On August 5, 2005 a Marina Fuel Operations and Lease Agreement was executed between the Port (Lessor) and Columbia Room, Inc. doing business as Hood River Shell and Marina Mart (Lessee), and

WHEREAS, Per the agreement provisions, this agreement was subsequently extended to July 31, 2011, and

WHEREAS, While both parties performed in accordance with all provisions of the agreement, the agreement was never officially extended beyond July 31, 2011, and

WHEREAS, Both parties desire to extend the existing Agreement to July 31, 2016,

NOW THEREFORE, the Fuel and Operations and Lease Agreement originally dated August 5, 2005 is hereby extended to terminate on July 31, 2016.

Lessee:

COLUMBIA ROOM, INC.
Dba Hood River Shell and Marina Mart
1108 Marina Way
Hood River, OR 97031

Lessor:

PORT OF HOOD RIVER
1000 E. Port Marina Drive
Hood River, OR 97031

By: _____
Its: General Manager

By: _____
Its: Executive Director

Commission Memo

To: Commissioners
From: Steve Burdick
Date: February 5, 2013
Re: Chamber of Commerce Lease, Breezeway Unit 6

The Hood River County Chamber of Commerce is now storing items such as tables, chairs and event paraphernalia in a damp space in which the items are being damaged. They are anxious to move the items into a dryer storage space that is also more convenient to the Chamber offices. Although Breezeway Unit 6 is smaller than desired, the Chamber would like to lease this space on a month to month basis until larger space becomes available.

The lease terms are proposed to be:

- Month to Month
- \$0.34 psf or \$65.00 per month
- No utilities except trash removal
- No taxes until fiscal year 2013 – 2014

RECOMMENDATION: Approve the lease with the Hood River County Chamber of Commerce in the Jensen Building.

Lease Term Sheet
Jensen Building – Breezeway Units
400 Portway Avenue
Prepared: February 5, 2013

D R A F T

TENANT:	Hood River County Chamber of Commerce
USES:	Dry Storage
AREA:	192 s.f.
RATE:	\$0.34 psf \$65 Month
RATE ADJUSTMENT:	None
TERM:	Month to month
COMMISSION:	None
NNN COSTS:	None
JOBS:	None
BUILDING IMPROVEMENTS:	None
MAINTENANCE:	Chamber interior Port exterior
COMMENTS:	Month to month rental agreement until larger, convenient space located.

LEASE

THIS LEASE is entered into at Hood River, Oregon by and between **PORT OF HOOD RIVER**, an Oregon municipal corporation, hereinafter referred to as “Lessor,” and Hood River County Chamber of Commerce, an Oregon non-profit corporation, hereinafter referred to as “Lessee.”

1. **Description.** In consideration of the covenants of the parties, Lessor leases to Lessee approximately 192 square feet of space in Lessor’s building commonly known as Unit 6 in the Breezeway Units of the Jensen Building (“building”) located at 400 Portway Ave., Hood River, Oregon (“Leased Premises”). The Leased Premises are identified in the attached “Exhibit A.”
2. **Term.** The lease term shall be on a month to month basis commencing on February 6, 2013. Either the Lessor or the Lessee may terminate the tenancy this Agreement by giving thirty (30) days written notice.
3. **Rental.** Monthly Rent for the Leased Premises will be the following Monthly Base Rates, as set forth below:

<u>Breezeway Unit</u>	<u>Square Footage</u>	<u>Rate per s.f. per month</u>	<u>Monthly Base Rate</u>
6	192	\$0.34	\$65.00

All rental amounts are payable in advance on the first day of each month, beginning on February 6, 2013.

4. **Use.** Lessee shall use the Leased Premises for dry storage. The Leased Premises shall not be used for any other purposes without the written consent of Lessor.
5. **Leased Premises Improvements.** Lessor agrees to make no improvements to the Leased Premises prior to Lessee’s right to occupy the Leased Premises.
6. **Taxes.** Lessee shall pay all taxes on its personal property located on the Leased Premises. Lessee shall pay all real property taxes of governmental units assessed against the Leased Premises, and all real property taxes assessed against all inside and outside common areas of the building based on the amount of lease space occupied by Lessee as a percentage of the total lease space in the building. Lessee shall pay all such real property taxes which have been assessed and are payable during Lessee’s occupancy. [Note: Under current law, Port real property is exempt from property taxation during an upcoming fiscal tax year (July 1 through June 30) unless a private party occupies such Port property on June 30. If a private party is in possession of Port property on June 30, that Port property is taxed for the entire subsequent fiscal tax year “as a result of Lessee’s occupancy.”] Although Lessee is responsible to pay real property taxes, Lessor will pay the real property taxes to the taxing authority when due and send a bill to Lessee for the amount of taxes Lessor has paid, which will be payable by Lessee to Lessor within ten days after the date of Lessor’s bill.

7. **Utilities.** Lessor shall be solely responsible for gas and electricity used or consumed on the leased premises. Trash removal service is Lessee's responsibility. In no event shall Lessor be liable for an interruption or failure in the supply of any utilities to the leased premises.
8. **Liability Insurance and Hold Harmless Agreement.** Lessee agrees to indemnify and save Lessor, Lessor's Port Commissioners, officers, employees and agents harmless from any claims by any persons, firms, or corporations arising from business conducted on the Leased Premises or from anything done by Lessee at the Leased Premises, and will further indemnify and save Lessor harmless from all claims arising as a result of any breach or default on the part of Lessee under the terms of this lease, or arising from any willful or negligent act or omission of Lessee's agents, contractors, employees, or licensees in or about the Leased Premises, and from all costs, counsel fees, and liabilities incurred in any action or proceeding brought thereon; and in case any action or proceeding is brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, covenants to resist and defend such action or proceeding by counsel.

Lessee agrees during the term hereof to keep a policy of general commercial liability insurance in effect with respect to the Leased Premises with minimum coverage of one million dollars (\$1 million) combined single limits. If Lessee renews this lease, at the outset of the renewal term Lessor may, with written notice, raise the minimum insurance requirement to an amount of insurance that is reasonably commercially available. The policy shall name Lessor as additional insured, and expressly include Lessor's Port Commissioners, officers, employees, and agents as additional named insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving Lessor at least fourteen days prior written notice. The insurance shall be provided by an insurance company registered to do business in the State of Oregon, or by a company approved by Lessor. A copy of the policy or certificate of insurance shall be delivered to Lessor no later than three days after Lessee occupies the Leased Premises.

9. **Fire Insurance and Waiver of Subrogation.** If the Leased Premises or building where the Leased Premises are located are partially or totally destroyed by fire or other casualty, Lessor may decide to repair the Leased Premises or building, or not, in Lessor's sole discretion. Lessor shall notify Lessee in writing of Lessor's intent regarding repair within 30 days after the date of the damage. If Lessor notifies Lessee that Lessor does not intend to repair the damage the lease shall terminate effectively at the date of the damage. If Lessor notifies Lessee that Lessor intends to repair the damage the lease shall continue, and Lessor shall return the Leased Premises or building to as good a condition as existed prior to the damage, in a prompt manner reasonable under the circumstances. If Lessee's use of the Leased Premises is disrupted during Lessor's repairs a reasonable portion of the rent shall be abated during the disruption. In no event shall Lessor be required to repair or replace Lessee's property including Lessee's fixtures, furniture, floor coverings or equipment. In no event shall Lessee be entitled to recover damages from Lessor related to destruction of the Leased Premises or building, or related to repairs undertaken by Lessor. Each party shall provide its own insurance protection at its own expense, and each party shall look to its respective insurance carrier for reimbursement of loss, which may be insured against by a standard form

of fire insurance with extended coverage. There shall be no subrogated claim by one party's insurance carrier against the other party arising out of any such loss.

10. **Lessee/Lessor Covenants.** Lessee shall not do anything which may damage the Leased Premises or any systems in the building or other areas surrounding the building. Lessee shall not place flammable materials of any kind, including but not limited to flammable chemicals, paper, cardboard, wood or wood products, or fabrics, separately or combined with other materials, within six feet of any radiant heat piping in the building. Lessee shall not be a nuisance or a menace to other tenants in the building. Lessee will not create or use hazardous substances, or dispose of hazardous waste of any kind, unless in strict compliance with environmental laws and regulations. Lessee, at Lessee's expense, shall be responsible to provide improvements and equipment, and to obtain any required permits or approvals necessary for Lessee to engage in activities at the Leased Premises. Lessee promises to comply with all laws, ordinances, and government regulations applicable to the Leased Premises and to Lessee's activities at the Leased Premises, and to comply with reasonable rules adopted by Lessor which apply to all tenants of the building.

Lessee shall not attach any fixtures or make any improvements or alterations to the Leased Premises without describing them in writing and receiving Lessor's prior written consent. Lessee shall not suffer or give cause for the filing of any lien against the Leased Premises.

Lessor shall maintain the building roof, bearing walls, exterior walls, windows and the drainage, plumbing, electrical, and heat and cooling systems installed by Lessor to the point at which they enter the Leased Premises. Lessor shall maintain exterior common areas and landscaping, and provide ice and snow removal in the parking area outside the Leased Premises within a reasonable time after the Lessee requests removal.

11. **Quiet Enjoyment.** From the date the lease commences Lessee will have the right to use the Leased Premises consistent with this lease without hindrance or interruption by Lessor or any other persons claiming by, through or under Lessor, subject, however, to the terms and conditions of this lease. The foregoing notwithstanding, Lessee agrees that Lessor may make improvements to the building and adjacent areas which may cause noise or otherwise temporarily disrupt Lessee's quiet enjoyment of the Leased Premises.
12. **Care of Leased Premises.** Lessee shall at all times keep the Leased Premises in as good condition as they are in at the outset of this lease, or if improvements are made thereafter in at least as good condition as after such improvements, and shall surrender the Leased Premises to Lessor in such good condition, reasonable wear and tear, or loss by fire or other casualty covered by insurance excepted.
13. **Fixtures and Personal Property.** Unless otherwise agreed in writing, all permanent improvements now located or hereafter placed on the Leased Premises during the term of the lease, other than Lessee's trade fixtures, equipment, and items related to Lessee's equipment, shall be the property of Lessor, and shall remain on the Leased Premises at the expiration or termination of the lease, provided that Lessor reserves the right within 30 days after the lease term ends to require Lessee to promptly remove any improvements which Lessee has placed

on the Leased Premises at Lessee's expense, in a way which does not cause damage to the Leased Premises.

At the expiration or earlier termination of the lease term Lessee shall remove all furnishings, furniture, equipment, goods of any kind and trade fixtures from the Leased Premises in a way that does not cause damage to the Leased Premises. If Lessee fails to remove any this shall be an abandonment of such property, and Lessor may retain Lessee's abandoned property and all rights of Lessee with respect to it shall cease; provided however, that Lessor may give Lessee written notice within 30 days after the lease expiration or termination date electing to hold Lessee to its obligation of removal. If Lessor elects to require Lessee to remove personal property and Lessee fails to promptly do so, Lessor may effect a removal and place the property in storage for Lessee's account. Lessee shall be liable to Lessor for the cost of removal, transportation to storage, storage, disposal, and other costs incurred by Lessor with regard to such personal property.

14. **Signs.** Lessee shall not erect or install any signs, flags, lights or advertising media nor window or door lettering or placards visible from outside the Leased Premises or visible from building common areas without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee agrees to maintain in good condition any signs or displays which are allowed.
15. **Common Areas.** Lessee understands and agrees that other tenants may occupy the building. This lease grants to Lessee and to Lessee's agents, employees, business invitees, customers and suppliers in connection with Lessee's business in the Leased Premises the non-exclusive right to use and enjoy throughout the existence of this lease all of the "common areas" associated with the building. "Common areas" shall be defined as all areas and improvements outside the building provided by Lessor for the joint use or benefit of tenants, their employees, customers and other invitees, including public parking areas, access roads, driveways, entrances and exits, landscaped areas, and sidewalks, excepting those parking spaces that may be designated for use by other building tenants. Use of available common areas shall be subject to like, non-exclusive use on the part of other tenants who occupy space in the building or any addition thereto, as well as their agents, employees, business invitees, customers and suppliers. Lessee agrees that its usage of such common areas shall not interfere with or be inconsistent with the similar rights of other tenants. All common areas shall be subject to the exclusive control and management of Lessor. Lessor shall have the right from time to time to establish, modify and enforce equitable rules with respect to all common areas, which Lessee agrees to abide by.
16. **Lessor's Access to Premises.** Lessor shall have the right to enter upon the Leased Premises at all reasonable hours after 24 hours oral notice (without notice to protect public health and safety in an emergency) for the purpose of inspecting it, or to make repairs, additions or alterations to the premises or any property owned or controlled by Lessor. E-mail from Lessor to Lessee (or Lessee's on site manager) may serve as notice of inspection of the Leased Premises. If Lessor deems any repairs reasonably required to be made by Lessee to be necessary, Lessor may give notice that Lessee shall make the same within 30 days (immediately in an emergency involving public health and safety), and if Lessee refuses or

neglects to commence such repairs and complete the same in a timely manner, Lessor may make or cause such repairs to be made. If Lessor makes or causes such repairs to be made Lessee agrees that it will, within 30 days, pay to Lessor the cost thereof.

17. **Entire Agreement; Amendments.** This lease contains the entire agreement of the parties with respect to the Leased Premises. No prior agreement, statement, or promise made by any party to the other not contained herein shall be valid or binding. This lease may not be modified, supplemented or amended in any manner except by written instrument signed by both parties.
18. **Waiver.** One or more waivers of any covenants or conditions by either party shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Lessor to any act by Lessee requiring Lessor's consent or approval shall not be construed as consent or approval to any subsequent similar act by Lessee.
19. **Assignment.** Lessee agrees not to assign or in any manner transfer this lease or any estate or interest therein without the previous written consent of Lessor, and not to sublet the premises or part or parts thereof without like consent. Lessor will not unreasonably withhold its consent. This Lease will not be assigned, subleased, or otherwise transferred except with the consent of Lessor, which consent may be granted or denied in Lessor's sole discretion. Any transfer of an ownership interest in Lessee of fifty percent (50%) or more will be deemed an assignment.
20. **Default.** Time is of the essence of performance of all the requirements of this lease. If any rental or other sums payable by Lessee to Lessor shall be and remain unpaid for more than ten (10) days after the same are due and payable, or if Lessee shall fail to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within fourteen (14) days after written notice to Lessee specifying the nature of the default with reasonable particularity, or if Lessee shall declare bankruptcy or be insolvent according to law or if an assignment of Lessee's property shall be made for the benefit of creditors or if Lessee shall abandon the premises, then in any of said events Lessee shall be deemed in default hereunder. In the event of a default the lease may be terminated at the option of Lessor. If the lease is terminated, Lessee's liability to Lessor for rents and damages shall survive such termination and Lessor may re-enter, take possession of the premises, and remove any persons or property by legal action or by self help with the use of reasonable force and without liability for damages. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Lessor under applicable law.
21. **Notices.** Whenever under this lease a provision is made for notice of any kind, it shall be deemed sufficient if such notice to Lessee is in writing delivered personally to Lessee's registered agent, to the person signing the lease, or sent by certified mail with postage prepaid to the address indicated on the signature page of this lease; and if such notice is to Lessor, delivered personally to the Executive Director, 1000 E. Port Marina Drive, Hood River, OR 97031 or sent by certified mail with postage prepaid to the address indicated on the signature page of this lease. Notice shall be deemed given on the date of personal delivery or if mailed, two business days after the date of mailing.

22. **Dispute Resolution.** Any dispute involving this lease may be resolved by mediation. If the parties agree to use a mediator they will each pay one half the costs of mediation. If mediation does not occur or does not result in a solution satisfactory to both parties, the dispute shall be resolved by arbitration. Any arbitration shall be in accordance with the rules of the Arbitration Service of Portland then in effect. The parties shall use a single arbitrator mutually agreeable to them. If they are unable to agree on an arbitrator, or a process to select one, either party may apply to the Hood River County Circuit Court to appoint an arbitrator. The award rendered by an arbitrator shall be binding on the parties and may be entered in the Hood River County Circuit Court. The prevailing party in an arbitration proceeding, including any appeal therefrom or enforcement action, shall be entitled to recover their reasonable attorney's fees and costs and disbursements incident thereto.

23. **Authority to Execute.** The persons executing this Lease on behalf of Lessee and Lessor warrant that they have the authority to do so.

DATED this _____ day of _____, 2013.

Lessee:

Hood River County Chamber of Commerce

720 E Port Marina Drive
 Hood River, OR 97031
 541-386-2000

BY:

 Name:
 Title:

Lessor:

Port of Hood River

1000 E. Port Marina Dr
 Hood River, OR 97031
 541-386-1645
 porthr@gorge.net

BY:

 Michael S. McElwee
 Executive Director

“EXHIBIT A”

**Jensen Building Breezeway Units, 400 Portway Avenue, Hood River OR 97031
(not to scale)**



Unit 8 288 sf Northwave	Unit 7 192 sf Kardol	Unit 6 192 sf Chamber	Unit 5 516 sf (vacant)	Unit 4 324 sf (vacant)	Unit 3 732 sf Montenegro	Unit 2 144 sf Montenegro	Unit 1 348 sf Montenegro
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Commission Memo

To: Commissioners
From: Steve Burdick
Date: October 2, 2012
Re: Jensen Breezeway Unit 5, Lease to Perry Platt

Perry Platt is a sole proprietor, inventor and artist who works in wood, metal, glass, plastics, composites and textiles and makes home and office furnishings, recreational equipment and art for general public buyers.

The proposed lease rate is \$0.50 psf on a triple net basis and increases to by the cpi-u Portland annually. The proposed term is a month to month lease.

The Port will not need to make any improvements to the building before occupancy.

Access to restrooms is in the far end of the Jensen building.

RECOMMENDATION: Authorize the attached lease with Perry Platt for 516 s.f. of space in unit 5 of the Jensen Breezeway units at a rate of \$0.50 p.s.f.

Lease Term Sheet

Jensen Building – Breezeway Units

400 Portway Ave, Unit #5

Prepared: February 5, 2013

TENANT:	Perry Platt
USES:	Production of home and office furnishings, recreational equipment and art using metal, wood, composites and textiles.
AREA:	516 s.f.
RATE:	\$0.50 psf \$258 Month
RATE ADJUSTMENT:	None
TERM:	Month to month
COMMISSION:	None
NNN COSTS:	Tenant pays NNN
JOBS:	1.0
BUILDING IMPROVEMENTS:	Reconnect water line to sink
MAINTENANCE:	Tenant interior Port exterior
COMMENTS:	

LEASE

THIS LEASE is entered into at Hood River, Oregon by and between **PORT OF HOOD RIVER**, an Oregon municipal corporation, hereinafter referred to as “Lessor,” and Perry Platt, a sole proprietor hereinafter referred to as “Lessee.”

1. **Description.** In consideration of the covenants of the parties, Lessor leases to Lessee approximately 516 square feet of space in Lessor’s building commonly known as the Jensen Building Breezeway Units (“building”) located at 400 Portway Avenue, Hood River, Oregon (“Leased Premises”). The Leased Premises are identified in the attached “Exhibit A.”
2. **Term.** The lease term shall be on a month-to-month basis commencing on February 6, 2013. Either the Lessor or the Lessee may terminate the lease by giving a notice of no less than thirty (30) days.
3. **Rental.** Monthly Rent for the Leased Premises will be the following Monthly Base Rates, plus the applicable Consumer Price Index (CPI) Rate Adjustment, as set forth below:

Breezeway Unit	Square Footage	Rate per s.f. per month	Monthly Base Rate
5	516	\$0.50	\$258.00

All rental amounts are payable in advance on the first day of each month, beginning on March 1, 2013.

4. **Use.** Lessee shall use the Leased Premises for product development and art using wood, metal, plastic, glass, composites and textiles. The Leased Premises shall not be used for any other purposes without the written consent of Lessor.
5. **Leased Premises Improvements.** Lessor agrees to make no improvements to the Leased Premises prior to Lessee’s right to occupy the Leased Premises.
6. **Taxes.** Lessee shall pay all taxes on its personal property located on the Leased Premises. Lessee shall pay all real property taxes of governmental units assessed against the Leased Premises, and all real property taxes assessed against all inside and outside common areas of the building based on the amount of lease space occupied by Lessee as a percentage of the total lease space in the building. Lessee shall pay all such real property taxes which have been assessed and are payable during Lessee’s occupancy. Lessee shall also pay all such taxes which arise during a tax year as a result of Lessee’s occupancy, even if the lease term has ended, or if Lessee has vacated the Leased Premises. However, if another tenant occupies the Leased Premises and agrees to pay any portion of the real property taxes otherwise payable by Lessee, Lessee shall not be required to pay those taxes which the new tenant pays. [Note: Under current law, Port real property is exempt from property taxation during an upcoming fiscal tax year (July 1 through June 30) unless a private party occupies such Port property on June 30. If a private party is in possession of Port property on June 30, that Port property is taxed for the entire subsequent fiscal tax year “as a result of Lessee’s

occupancy.”] Although Lessee is responsible to pay real property taxes, Lessor will pay the real property taxes to the taxing authority when due and send a bill to Lessee for the amount of taxes Lessor has paid, which will be payable by Lessee to Lessor within ten days after the date of Lessor’s bill.

7. **Utilities.** Lessee shall be solely responsible for gas and electricity used or consumed by Lessee on the leased premises. If electric or gas utility service is provided to Lessee in common with other tenants of Lessor, Lessee shall pay a portion of the total cost of such service based on the amount of lease space occupied by Lessee as a percentage of the total lease space of all tenants who are using the same utilities in common with Lessee. Lessor agrees to provide Lessee with calculations for utility allocations and agrees to consider a different allocation formula for the lease space if it is reasonably shown that the charges for utility service would be more or less based upon machinery or employee numbers in other lease space in the building. Trash removal service for manufacturing purposes are Lessee’s responsibility. In no event shall Lessor be liable for an interruption or failure in the supply of any utilities to the leased premises.
8. **Liability Insurance and Hold Harmless Agreement.** Lessee agrees to indemnify and save Lessor, Lessor’s Port Commissioners, officers, employees and agents harmless from any claims by any persons, firms, or corporations arising from business conducted on the Leased Premises or from anything done by Lessee at the Leased Premises, and will further indemnify and save Lessor harmless from all claims arising as a result of any breach or default on the part of Lessee under the terms of this lease, or arising from any willful or negligent act or omission of Lessee’s agents, contractors, employees, or licensees in or about the Leased Premises, and from all costs, counsel fees, and liabilities incurred in any action or proceeding brought thereon; and in case any action or proceeding is brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, covenants to resist and defend such action or proceeding by counsel.

Lessee agrees during the term hereof to keep a policy of general commercial liability insurance in effect with respect to the Leased Premises with minimum coverage of one million dollars (\$1 million) combined single limits. If Lessee renews this lease, at the outset of the renewal term Lessor may, with written notice, raise the minimum insurance requirement to an amount of insurance that is reasonably commercially available. The policy shall name Lessor as additional insured, and expressly include Lessor’s Port Commissioners, officers, employees, and agents as additional named insured; and shall contain a clause that the insurer will not cancel or change the insurance without first giving Lessor at least fourteen days prior written notice. The insurance shall be provided by an insurance company registered to do business in the State of Oregon, or by a company approved by Lessor. A copy of the policy or certificate of insurance shall be delivered to Lessor no later than three days after Lessee occupies the Leased Premises.

9. **Fire Insurance and Waiver of Subrogation.** If the Leased Premises or building where the Leased Premises are located are partially or totally destroyed by fire or other casualty, Lessor may decide to repair the Leased Premises or building, or not, in Lessor’s sole discretion. Lessor shall notify Lessee in writing of Lessor’s intent regarding repair within 30 days after

the date of the damage. If Lessor notifies Lessee that Lessor does not intend to repair the damage the lease shall terminate effectively at the date of the damage. If Lessor notifies Lessee that Lessor intends to repair the damage the lease shall continue, and Lessor shall return the Leased Premises or building to as good a condition as existed prior to the damage, in a prompt manner reasonable under the circumstances. If Lessee's use of the Leased Premises is disrupted during Lessor's repairs a reasonable portion of the rent shall be abated during the disruption. In no event shall Lessor be required to repair or replace Lessee's property including Lessee's fixtures, furniture, floor coverings or equipment. In no event shall Lessee be entitled to recover damages from Lessor related to destruction of the Leased Premises or building, or related to repairs undertaken by Lessor. Each party shall provide its own insurance protection at its own expense, and each party shall look to its respective insurance carrier for reimbursement of loss, which may be insured against by a standard form of fire insurance with extended coverage. There shall be no subrogated claim by one party's insurance carrier against the other party arising out of any such loss.

10. **Lessee/Lessor Covenants.** Lessee shall not do anything which may damage the Leased Premises or any systems in the building or other areas surrounding the building. Lessee shall not place flammable materials of any kind, including but not limited to flammable chemicals, paper, cardboard, wood or wood products, or fabrics, separately or combined with other materials, within six feet of any radiant heat piping in the building. Lessee shall not be a nuisance or a menace to other tenants in the building. Lessee will not create or use hazardous substances, or dispose of hazardous waste of any kind, unless in strict compliance with environmental laws and regulations. Lessee, at Lessee's expense, shall be responsible to provide improvements and equipment, and to obtain any required permits or approvals necessary for Lessee to engage in activities at the Leased Premises. Lessee promises to comply with all laws, ordinances, and government regulations applicable to the Leased Premises and to Lessee's activities at the Leased Premises, and to comply with reasonable rules adopted by Lessor which apply to all tenants of the building.

Lessee shall not attach any fixtures or make any improvements or alterations to the Leased Premises without describing them in writing and receiving Lessor's prior written consent. Lessee shall not suffer or give cause for the filing of any lien against the Leased Premises.

Lessor shall maintain the building roof, bearing walls, exterior walls, windows and the drainage, plumbing, electrical, and heat and cooling systems installed by Lessor to the point at which they enter the Leased Premises. Lessor shall maintain exterior common areas and landscaping, and provide ice and snow removal in the parking area outside the Leased Premises within a reasonable time after the Lessee requests removal.

11. **Quiet Enjoyment.** From the date the lease commences Lessee will have the right to use the Leased Premises consistent with this lease without hindrance or interruption by Lessor or any other persons claiming by, through or under Lessor, subject, however, to the terms and conditions of this lease. The foregoing notwithstanding, Lessee agrees that Lessor may make improvements to the building and adjacent areas which may cause noise or otherwise temporarily disrupt Lessee's quiet enjoyment of the Leased Premises.

12. **Care of Leased Premises.** Lessee shall at all times keep the Leased Premises in as good condition as they are in at the outset of this lease, or if improvements are made thereafter in at least as good condition as after such improvements, and shall surrender the Leased Premises to Lessor in such good condition, reasonable wear and tear, or loss by fire or other casualty covered by insurance excepted.
13. **Fixtures and Personal Property.** Unless otherwise agreed in writing, all permanent improvements now located or hereafter placed on the Leased Premises during the term of the lease, other than Lessee's trade fixtures, equipment, and items related to Lessee's equipment, shall be the property of Lessor, and shall remain on the Leased Premises at the expiration or termination of the lease, provided that Lessor reserves the right within 30 days after the lease term ends to require Lessee to promptly remove any improvements which Lessee has placed on the Leased Premises at Lessee's expense, in a way which does not cause damage to the Leased Premises.

At the expiration or earlier termination of the lease term Lessee shall remove all furnishings, furniture, equipment, goods of any kind and trade fixtures from the Leased Premises in a way that does not cause damage to the Leased Premises. If Lessee fails to remove any this shall be an abandonment of such property, and Lessor may retain Lessee's abandoned property and all rights of Lessee with respect to it shall cease; provided however, that Lessor may give Lessee written notice within 30 days after the lease expiration or termination date electing to hold Lessee to its obligation of removal. If Lessor elects to require Lessee to remove personal property and Lessee fails to promptly do so, Lessor may effect a removal and place the property in storage for Lessee's account. Lessee shall be liable to Lessor for the cost of removal, transportation to storage, storage, disposal, and other costs incurred by Lessor with regard to such personal property.

14. **Signs.** Lessee shall not erect or install any signs, flags, lights or advertising media nor window or door lettering or placards visible from outside the Leased Premises or visible from building common areas without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee agrees to maintain in good condition any signs or displays which are allowed.
15. **Common Areas.** Lessee understands and agrees that other tenants may occupy the building. This lease grants to Lessee and to Lessee's agents, employees, business invitees, customers and suppliers in connection with Lessee's business in the Leased Premises the non-exclusive right to use and enjoy throughout the existence of this lease all of the "common areas" associated with the building. "Common areas" shall be defined as all areas and improvements outside the building provided by Lessor for the joint use or benefit of tenants, their employees, customers and other invitees, including public parking areas, access roads, driveways, entrances and exits, landscaped areas, and sidewalks, excepting those parking spaces that may be designated for use by other building tenants. Use of available common areas shall be subject to like, non-exclusive use on the part of other tenants who occupy space in the building or any addition thereto, as well as their agents, employees, business invitees, customers and suppliers. Lessee agrees that its usage of such common areas shall not interfere with or be inconsistent with the similar rights of other tenants. All common

areas shall be subject to the exclusive control and management of Lessor. Lessor shall have the right from time to time to establish, modify and enforce equitable rules with respect to all common areas, which Lessee agrees to abide by.

16. **Lessor's Access to Premises.** Lessor shall have the right to enter upon the Leased Premises at all reasonable hours after 24 hours oral notice (without notice to protect public health and safety in an emergency) for the purpose of inspecting it, or to make repairs, additions or alterations to the premises or any property owned or controlled by Lessor. E-mail from Lessor to Lessee (or Lessee's on site manager) may serve as notice of inspection of the Leased Premises. If Lessor deems any repairs reasonably required to be made by Lessee to be necessary, Lessor may give notice that Lessee shall make the same within 30 days (immediately in an emergency involving public health and safety), and if Lessee refuses or neglects to commence such repairs and complete the same in a timely manner, Lessor may make or cause such repairs to be made. If Lessor makes or causes such repairs to be made Lessee agrees that it will, within 30 days, pay to Lessor the cost thereof.
17. **Entire Agreement; Amendments.** This lease contains the entire agreement of the parties with respect to the Leased Premises. No prior agreement, statement, or promise made by any party to the other not contained herein shall be valid or binding. This lease may not be modified, supplemented or amended in any manner except by written instrument signed by both parties.
18. **Waiver.** One or more waivers of any covenants or conditions by either party shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Lessor to any act by Lessee requiring Lessor's consent or approval shall not be construed as consent or approval to any subsequent similar act by Lessee.
19. **Assignment.** Lessee agrees not to assign or in any manner transfer this lease or any estate or interest therein without the previous written consent of Lessor, and not to sublet the premises or part or parts thereof without like consent. Lessor will not unreasonably withhold its consent. This Lease will not be assigned, subleased, or otherwise transferred except with the consent of Lessor, which consent may be granted or denied in Lessor's sole discretion. Any transfer of an ownership interest in Lessee of fifty percent (50%) or more will be deemed an assignment.
20. **Default.** Time is of the essence of performance of all the requirements of this lease. If any rental or other sums payable by Lessee to Lessor shall be and remain unpaid for more than ten (10) days after the same are due and payable, or if Lessee shall fail to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within fourteen (14) days after written notice to Lessee specifying the nature of the default with reasonable particularity, or if Lessee shall declare bankruptcy or be insolvent according to law or if an assignment of Lessee's property shall be made for the benefit of creditors or if Lessee shall abandon the premises, then in any of said events Lessee shall be deemed in default hereunder. In the event of a default the lease may be terminated at the option of Lessor. If the lease is terminated, Lessee's liability to Lessor for rents and damages shall survive such termination and Lessor may re-enter, take possession of the premises, and

remove any persons or property by legal action or by self help with the use of reasonable force and without liability for damages. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Lessor under applicable law.

21. **Notices.** Whenever under this lease a provision is made for notice of any kind, it shall be deemed sufficient if such notice to Lessee is in writing delivered personally to Lessee, or sent by certified mail with postage prepaid to the address indicated on the signature page of this lease; and if such notice is to Lessor, delivered personally to the Executive Director, 1000 E. Port Marina Drive, Hood River, OR 97031 or sent by certified mail with postage prepaid to the address indicated on the signature page of this lease. Notice shall be deemed given on the date of personal delivery or if mailed, two business days after the date of mailing.
22. **Dispute Resolution.** Any dispute involving this lease may be resolved by mediation. If the parties agree to use a mediator they will each pay one half the costs of mediation. If mediation does not occur or does not result in a solution satisfactory to both parties, the dispute shall be resolved by arbitration. Any arbitration shall be in accordance with the rules of the Arbitration Service of Portland then in effect. The parties shall use a single arbitrator mutually agreeable to them. If they are unable to agree on an arbitrator, or a process to select one, either party may apply to the Hood River County Circuit Court to appoint an arbitrator. The award rendered by an arbitrator shall be binding on the parties and may be entered in the Hood River County Circuit Court. The prevailing party in an arbitration proceeding, including any appeal therefrom or enforcement action, shall be entitled to recover their reasonable attorney's fees and costs and disbursements incident thereto.

23. **Authority to Execute.** The persons executing this Lease on behalf of Lessee and Lessor warrant that they have the authority to do so.

DATED this _____ day of _____, 2012.

Lessee:

Name Perry Platt

Address 509 Prospect Ave.
Hood River, OR 97031
541-399-3748

perattheplace@inbox.com

BY:

Name: Perry Platt
Title: Owner

Lessor:

Name Port of Hood River

Address 1000 E. Port Marina Dr
Hood River, OR 97031
541-386-1645

pohr@portofhoodriver.com

BY:

Name: Michael McElwee
Title: Executive Director

Commission Memo

To: Commissioners
From: Steve Burdick
Date: February 5, 2013
Re: PocketFuel Rental of Unit 102 in the Big 7 Building

PocketFuel has signed a lease for Suite 103 in the Halyard Building. It will take several months before that space is modified and available for their occupancy. In the meantime, PocketFuel is using a commercial kitchen at the Columbia Gorge Community College to produce product, but they have run out of space to store inputs and from which to ship product. So, they desire to rent 500 s.f. in Unit 102 of the Big 7 Building for those purposes.

Because of the short term, the rent of \$250.00 and PocketFuel's immediate need to store inputs that were already in route, the lease was executed by staff in advance of the Commission meeting.

The lease terms are proposed to be:

- Month to Month
- \$0.50 psf or \$250.00 per month
- Tenant to pay NNN costs

Staff recommends that the Commission ratify the lease.

RECOMMENDATION: Ratify the lease with Pocket Fuel in the Big 7 Building.

Lease Term Sheet

Big 7

616 Industrial Way, Unit 102

Prepared: February 5, 2013

TENANT:	Pocket Fuel, LLC
USES:	Dry Storage
AREA:	500 s.f.
RATE:	\$0.50 psf \$250 Month
RATE ADJUSTMENT:	NA
TERM:	Month to Month
COMMISSION:	None
NNN COSTS:	Tenant pays NNN
JOBS:	None
BUILDING IMPROVEMENTS:	None
MAINTENANCE:	Tenant interior Port exterior
COMMENTS:	Short term dry storage until Suite 103 in the Halyard Building is available for Pocket Fuel occupancy.

LEASE

THIS LEASE is entered into at Hood River, Oregon by and between **PORT OF HOOD RIVER**, an Oregon municipal corporation, hereinafter referred to as “Lessor,” and Pocket Fuel, an Oregon limited liability corporation, hereinafter referred to as “Lessee.”

1. **Description.** In consideration of the covenants of the parties, Lessor leases to Lessee approximately 500 square feet of space in Lessor’s building commonly known as Unit 102 in the Big 7 (“building”) located at 616 Industrial Way, Hood River, Oregon (“Leased Premises”). The Leased Premises are identified in the attached “Exhibit A.”
2. **Term.** The lease term shall be on a month to month basis commencing on February 1, 2013.
3. **Rental.** Monthly Rent for the Leased Premises will be the following Monthly Base Rates, as set forth below:

<u>Building Unit</u>	<u>Square Footage</u>	<u>Rate per s.f. per month</u>	<u>Monthly Base Rate</u>
102	500	\$0.50	\$250.00

All rental amounts are payable in advance on the first day of each month, beginning on February 1, 2013.

4. **Use.** Lessee shall use the Leased Premises for dry storage. The Leased Premises shall not be used for any other purposes without the written consent of Lessor.
5. **Leased Premises Improvements.** Lessor agrees to make no improvements to the Leased Premises prior to Lessee’s right to occupy the Leased Premises.
6. **Taxes.** Lessee shall pay all taxes on its personal property located on the Leased Premises. Lessee shall pay all real property taxes of governmental units assessed against the Leased Premises, and all real property taxes assessed against all inside and outside common areas of the building based on the amount of lease space occupied by Lessee as a percentage of the total lease space in the building. Lessee shall pay all such real property taxes which have been assessed and are payable during Lessee’s occupancy. [Note: Under current law, Port real property is exempt from property taxation during an upcoming fiscal tax year (July 1 through June 30) unless a private party occupies such Port property on June 30. If a private party is in possession of Port property on June 30, that Port property is taxed for the entire subsequent fiscal tax year “as a result of Lessee’s occupancy.”] Although Lessee is responsible to pay real property taxes, Lessor will pay the real property taxes to the taxing authority when due and send a bill to Lessee for the amount of taxes Lessor has paid, which will be payable by Lessee to Lessor within ten days after the date of Lessor’s bill.
7. **Utilities.** Lessee shall be solely responsible for gas and electricity used or consumed by Lessee on the leased premises. If electric or gas utility service is provided to Lessee in common with other tenants of Lessor, Lessee shall pay a portion of the total cost of such

service based on the amount of lease space occupied by Lessee as a percentage of the total lease space of all tenants who are using the same utilities in common with Lessee. Lessor agrees to provide Lessee with calculations for utility allocations and agrees to consider a different allocation formula for the lease space if it is reasonably shown that the charges for utility service would be more or less based upon machinery or employee numbers in other lease space in the building. Trash removal service are Lessee's responsibility. In no event shall Lessor be liable for an interruption or failure in the supply of any utilities to the leased premises.

8. **Liability Insurance and Hold Harmless Agreement.** Lessee agrees to indemnify and save Lessor, Lessor's Port Commissioners, officers, employees and agents harmless from any claims by any persons, firms, or corporations arising from business conducted on the Leased Premises or from anything done by Lessee at the Leased Premises, and will further indemnify and save Lessor harmless from all claims arising as a result of any breach or default on the part of Lessee under the terms of this lease, or arising from any willful or negligent act or omission of Lessee's agents, contractors, employees, or licensees in or about the Leased Premises, and from all costs, counsel fees, and liabilities incurred in any action or proceeding brought thereon; and in case any action or proceeding is brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, covenants to resist and defend such action or proceeding by counsel.

Lessee agrees during the term hereof to keep a policy of general commercial liability insurance in effect with respect to the Leased Premises with minimum coverage of one million dollars (\$1 million) combined single limits. If Lessee renews this lease, at the outset of the renewal term Lessor may, with written notice, raise the minimum insurance requirement to an amount of insurance that is reasonably commercially available. The policy shall name Lessor as additional insured, and expressly include Lessor's Port Commissioners, officers, employees, and agents as additional named insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving Lessor at least fourteen days prior written notice. The insurance shall be provided by an insurance company registered to do business in the State of Oregon, or by a company approved by Lessor. A copy of the policy or certificate of insurance shall be delivered to Lessor no later than three days after Lessee occupies the Leased Premises.

9. **Fire Insurance and Waiver of Subrogation.** If the Leased Premises or building where the Leased Premises are located are partially or totally destroyed by fire or other casualty, Lessor may decide to repair the Leased Premises or building, or not, in Lessor's sole discretion. Lessor shall notify Lessee in writing of Lessor's intent regarding repair within 30 days after the date of the damage. If Lessor notifies Lessee that Lessor does not intend to repair the damage the lease shall terminate effectively at the date of the damage. If Lessor notifies Lessee that Lessor intends to repair the damage the lease shall continue, and Lessor shall return the Leased Premises or building to as good a condition as existed prior to the damage, in a prompt manner reasonable under the circumstances. If Lessee's use of the Leased Premises is disrupted during Lessor's repairs a reasonable portion of the rent shall be abated during the disruption. In no event shall Lessor be required to repair or replace Lessee's property including Lessee's fixtures, furniture, floor coverings or equipment. In no event

shall Lessee be entitled to recover damages from Lessor related to destruction of the Leased Premises or building, or related to repairs undertaken by Lessor. Each party shall provide its own insurance protection at its own expense, and each party shall look to its respective insurance carrier for reimbursement of loss, which may be insured against by a standard form of fire insurance with extended coverage. There shall be no subrogated claim by one party's insurance carrier against the other party arising out of any such loss.

10. **Lessee/Lessor Covenants.** Lessee shall not do anything which may damage the Leased Premises or any systems in the building or other areas surrounding the building. Lessee shall not place flammable materials of any kind, including but not limited to flammable chemicals, paper, cardboard, wood or wood products, or fabrics, separately or combined with other materials, within six feet of any radiant heat piping in the building. Lessee shall not be a nuisance or a menace to other tenants in the building. Lessee will not create or use hazardous substances, or dispose of hazardous waste of any kind, unless in strict compliance with environmental laws and regulations. Lessee, at Lessee's expense, shall be responsible to provide improvements and equipment, and to obtain any required permits or approvals necessary for Lessee to engage in activities at the Leased Premises. Lessee promises to comply with all laws, ordinances, and government regulations applicable to the Leased Premises and to Lessee's activities at the Leased Premises, and to comply with reasonable rules adopted by Lessor which apply to all tenants of the building.

Lessee shall not attach any fixtures or make any improvements or alterations to the Leased Premises without describing them in writing and receiving Lessor's prior written consent. Lessee shall not suffer or give cause for the filing of any lien against the Leased Premises.

Lessor shall maintain the building roof, bearing walls, exterior walls, windows and the drainage, plumbing, electrical, and heat and cooling systems installed by Lessor to the point at which they enter the Leased Premises. Lessor shall maintain exterior common areas and landscaping, and provide ice and snow removal in the parking area outside the Leased Premises within a reasonable time after the Lessee requests removal.

11. **Quiet Enjoyment.** From the date the lease commences Lessee will have the right to use the Leased Premises consistent with this lease without hindrance or interruption by Lessor or any other persons claiming by, through or under Lessor, subject, however, to the terms and conditions of this lease. The foregoing notwithstanding, Lessee agrees that Lessor may make improvements to the building and adjacent areas which may cause noise or otherwise temporarily disrupt Lessee's quiet enjoyment of the Leased Premises.
12. **Care of Leased Premises.** Lessee shall at all times keep the Leased Premises in as good condition as they are in at the outset of this lease, or if improvements are made thereafter in at least as good condition as after such improvements, and shall surrender the Leased Premises to Lessor in such good condition, reasonable wear and tear, or loss by fire or other casualty covered by insurance excepted.
13. **Fixtures and Personal Property.** Unless otherwise agreed in writing, all permanent improvements now located or hereafter placed on the Leased Premises during the term of the lease, other than Lessee's trade fixtures, equipment, and items related to Lessee's equipment,

shall be the property of Lessor, and shall remain on the Leased Premises at the expiration or termination of the lease, provided that Lessor reserves the right within 30 days after the lease term ends to require Lessee to promptly remove any improvements which Lessee has placed on the Leased Premises at Lessee's expense, in a way which does not cause damage to the Leased Premises.

At the expiration or earlier termination of the lease term Lessee shall remove all furnishings, furniture, equipment, goods of any kind and trade fixtures from the Leased Premises in a way that does not cause damage to the Leased Premises. If Lessee fails to remove any this shall be an abandonment of such property, and Lessor may retain Lessee's abandoned property and all rights of Lessee with respect to it shall cease; provided however, that Lessor may give Lessee written notice within 30 days after the lease expiration or termination date electing to hold Lessee to its obligation of removal. If Lessor elects to require Lessee to remove personal property and Lessee fails to promptly do so, Lessor may effect a removal and place the property in storage for Lessee's account. Lessee shall be liable to Lessor for the cost of removal, transportation to storage, storage, disposal, and other costs incurred by Lessor with regard to such personal property.

14. **Signs.** Lessee shall not erect or install any signs, flags, lights or advertising media nor window or door lettering or placards visible from outside the Leased Premises or visible from building common areas without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee agrees to maintain in good condition any signs or displays which are allowed.
15. **Common Areas.** Lessee understands and agrees that other tenants may occupy the building. This lease grants to Lessee and to Lessee's agents, employees, business invitees, customers and suppliers in connection with Lessee's business in the Leased Premises the non-exclusive right to use and enjoy throughout the existence of this lease all of the "common areas" associated with the building. "Common areas" shall be defined as all areas and improvements outside the building provided by Lessor for the joint use or benefit of tenants, their employees, customers and other invitees, including public parking areas, access roads, driveways, entrances and exits, landscaped areas, and sidewalks, excepting those parking spaces that may be designated for use by other building tenants. Use of available common areas shall be subject to like, non-exclusive use on the part of other tenants who occupy space in the building or any addition thereto, as well as their agents, employees, business invitees, customers and suppliers. Lessee agrees that its usage of such common areas shall not interfere with or be inconsistent with the similar rights of other tenants. All common areas shall be subject to the exclusive control and management of Lessor. Lessor shall have the right from time to time to establish, modify and enforce equitable rules with respect to all common areas, which Lessee agrees to abide by.
16. **Lessor's Access to Premises.** Lessor shall have the right to enter upon the Leased Premises at all reasonable hours after 24 hours oral notice (without notice to protect public health and safety in an emergency) for the purpose of inspecting it, or to make repairs, additions or alterations to the premises or any property owned or controlled by Lessor. E-mail from Lessor to Lessee (or Lessee's on site manager) may serve as notice of inspection of the

Leased Premises. If Lessor deems any repairs reasonably required to be made by Lessee to be necessary, Lessor may give notice that Lessee shall make the same within 30 days (immediately in an emergency involving public health and safety), and if Lessee refuses or neglects to commence such repairs and complete the same in a timely manner, Lessor may make or cause such repairs to be made. If Lessor makes or causes such repairs to be made Lessee agrees that it will, within 30 days, pay to Lessor the cost thereof.

17. **Entire Agreement; Amendments.** This lease contains the entire agreement of the parties with respect to the Leased Premises. No prior agreement, statement, or promise made by any party to the other not contained herein shall be valid or binding. This lease may not be modified, supplemented or amended in any manner except by written instrument signed by both parties.
18. **Waiver.** One or more waivers of any covenants or conditions by either party shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Lessor to any act by Lessee requiring Lessor's consent or approval shall not be construed as consent or approval to any subsequent similar act by Lessee.
19. **Assignment.** Lessee agrees not to assign or in any manner transfer this lease or any estate or interest therein without the previous written consent of Lessor, and not to sublet the premises or part or parts thereof without like consent. Lessor will not unreasonably withhold its consent. This Lease will not be assigned, subleased, or otherwise transferred except with the consent of Lessor, which consent may be granted or denied in Lessor's sole discretion. Any transfer of an ownership interest in Lessee of fifty percent (50%) or more will be deemed an assignment.
20. **Default.** Time is of the essence of performance of all the requirements of this lease. If any rental or other sums payable by Lessee to Lessor shall be and remain unpaid for more than ten (10) days after the same are due and payable, or if Lessee shall fail to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within fourteen (14) days after written notice to Lessee specifying the nature of the default with reasonable particularity, or if Lessee shall declare bankruptcy or be insolvent according to law or if an assignment of Lessee's property shall be made for the benefit of creditors or if Lessee shall abandon the premises, then in any of said events Lessee shall be deemed in default hereunder. In the event of a default the lease may be terminated at the option of Lessor. If the lease is terminated, Lessee's liability to Lessor for rents and damages shall survive such termination and Lessor may re-enter, take possession of the premises, and remove any persons or property by legal action or by self help with the use of reasonable force and without liability for damages. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Lessor under applicable law.
21. **Notices.** Whenever under this lease a provision is made for notice of any kind, it shall be deemed sufficient if such notice to Lessee is in writing delivered personally to Lessee's registered agent, to the person signing the lease, or sent by certified mail with postage prepaid to the address indicated on the signature page of this lease; and if such notice is to Lessor, delivered personally to the Executive Director, 1000 E. Port Marina Drive, Hood

River, OR 97031 or sent by certified mail with postage prepaid to the address indicated on the signature page of this lease. Notice shall be deemed given on the date of personal delivery or if mailed, two business days after the date of mailing.

22. **Dispute Resolution.** Any dispute involving this lease may be resolved by mediation. If the parties agree to use a mediator they will each pay one half the costs of mediation. If mediation does not occur or does not result in a solution satisfactory to both parties, the dispute shall be resolved by arbitration. Any arbitration shall be in accordance with the rules of the Arbitration Service of Portland then in effect. The parties shall use a single arbitrator mutually agreeable to them. If they are unable to agree on an arbitrator, or a process to select one, either party may apply to the Hood River County Circuit Court to appoint an arbitrator. The award rendered by an arbitrator shall be binding on the parties and may be entered in the Hood River County Circuit Court. The prevailing party in an arbitration proceeding, including any appeal therefrom or enforcement action, shall be entitled to recover their reasonable attorney's fees and costs and disbursements incident thereto.

23. **Authority to Execute.** The persons executing this Lease on behalf of Lessee and Lessor warrant that they have the authority to do so.

DATED this 28 day of January, 2013.

Lessee:

Name Pocket Fuel, LLC
Address
1767 12th Street, Suite 167
Hood River, OR 97031
Ph: 541-436-2996
Email: mark@pocketfuelsnatural.com

BY:



Name: Mark Ribkoff
Title: Managing Partner

Lessor:

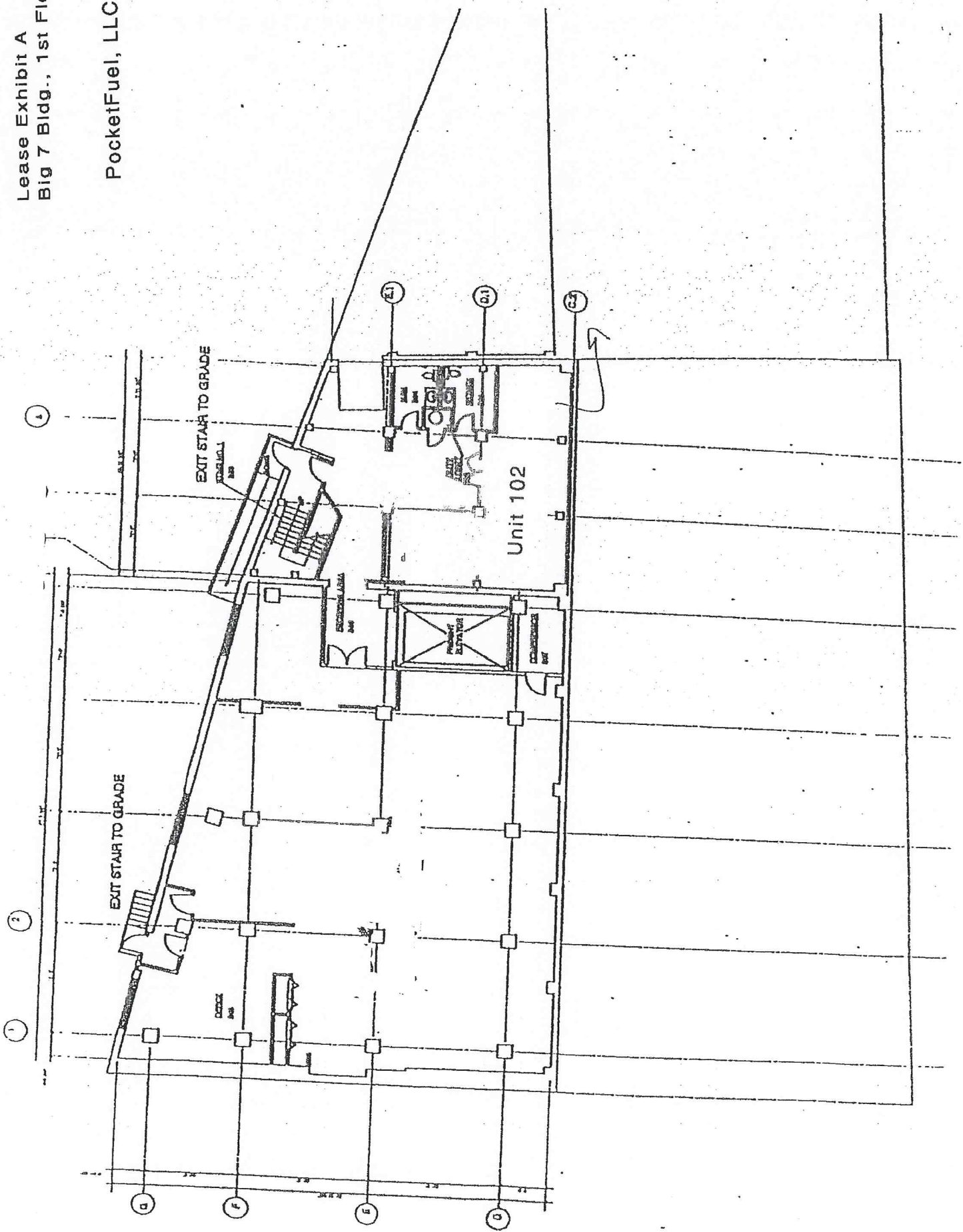
Name Port of Hood River
Address
1000 E. Port Marina Drive
Hood River, OR 97031
541-386-5116
~~pohr@portofhoodriver.com~~
porthr@gorge.net

BY:



Name: Michael McElwee
Title: Executive Director

PocketFuel, LLC



Commission Memo

To: Commissioners
From: Fred Kowell
Date: February 5, 2013
Re: Accounts Payable Requiring Commission Approval

TraneOregon **\$11,125.00**

Halyard Building--Issues with the heat mode, troubleshoot and repair to the supply air temperature reading.

TOTAL ACCOUNTS PAYABLE TO APPROVE **\$11,125.00**

TRANE OREGON

P.O. Box 23579
Tigard, OR 97281

CCB# 64452
WA# ROBERGD032CJ

Phone: 503/620-8031
FAX: 503/639-1454

1-800-20-TRANE
www.TraneOregon.com

Invoice#: SRV59610
Invoice Date: 1/23/2013
Customer PO: STEVE BURDICK
Customer ID: PORT019
Service Call ID: 121228-0007
Salesperson ID: BAXTERT
Division: ADD ON
Page: 1

RECEIVED
JAN 29 2013

Bill To:

PORT OF HOOD RIVER
1000 E PORT MARINA DRIVE

HOOD RIVER OR 97031

Location Of Work:

HALYARD BUILDING
707 PORTWAY DRIVE

HOOD RIVER OR 97031

Description of Work:

SERVICE CALL

ISSUES WITH HEAT MODE*

The supply air temperature reading is varying between -15 and 62 degrees, and may be causing an issue with the heating mode.

WORK ORDER ATTACHED

COPY

Thank You

TOTAL EQUIPMENT	\$301.17
TOTAL MATERIAL	\$0.00
TOTAL LABOR	\$10,823.83
TOTAL SUBCONTRACTOR	\$0.00
TOTAL OTHER	\$0.00
TOTAL SALES TAX	\$0.00

DISCOUNT	\$0.00
PAYMENT	\$0.00
AMOUNT DUE	\$11,125.00

Interest of 1 1/2% per month may be assessed on outstanding amounts more than 30 days past due. Attorney fees may be collected should collection or legal proceedings be necessary to secure payment.

Please remit Payment to:
TraneOregon
PO Box 23579
Tigard, OR 97281-3579

OK


Executive Director's Report

February 5, 2013

Staff & Administrative

- Commissioner Davies and I met with Representative Mark Johnson on January 30 to discuss the Port projects and the upcoming legislative session.
- Commissioners Davies and Shortt and staff met with Hal Hiemstra in Hood River on January 29 to discuss federal advocacy efforts and the upcoming trip to Washington, D.C. with PNWA.
- As a reminder, three Port positions are up for election in May of this year. These positions are held by Commissioners Davies, Duckwall and McBride.
- Annual Verified Statements of Economic Interest are due to the Oregon Ethics Commission this spring. We hope to have SEI forms at the meeting.
- We are making substantial progress in efforts to dispose of old files consistent with the Oregon Statutes. Laurie Borton is heading up this work.

Recreation

- The Port has received a \$3,000 Safety Grant from Special Districts Association of Oregon for cameras in the Marina Park. This is 50% of the project cost. Mellissa Halseth prepared this successful application.
- Christa Shear has asked to renew her Sandbar Café lease at the Cruise Ship Dock in 2013. The second spot on the dock has been offered to Big Papas; however, the owner of that business is requesting a structural analysis of the dock that staff believes is un-necessary. The alternative location for Big Papas is west of the Jensen Building. There are other interested food vendors for the Cruise Ship Dock.
- Although a new air photo of the waterfront was ordered in early December, weather conditions, either here or in Troutdale, have not been satisfactory. All signs pointed to the flight occurring on February 1.

Development

- The Hood River City Council reversed course and did not preclude housing in commercial zones on the waterfront. The new approach would prevent housing on the ground floor of any building and limit it to 50% of a project's floor area. President Davies represented the Port at the City Council hearing.
- Union Pacific is now expected to use Lot #1 for construction worker and truck parking associated with a track rehabilitation project during the month of February. The Use Agreement has been so modified.
- The city attorney has now determined that the upgrade to the Maritime Building does not trigger an \$11,000 transportation SDC charge. It was decided that trip generation from prior tenants was equivalent to the new tenants occupying the building.

- The city staff has responded favorably to the major points (attached) of a new financing agreement related to the Waterfront URA. Legal counsel is now preparing a draft agreement for review by the Hood River Urban Renewal Agency Board. There is strong interest in constructing the waterfront Park parking project this spring.

Bridge/Transportation

- The public has responded to the new policy to exchange bridge toll tickets purchased prior to 2012 for credit. We have received a number of comments complimenting the Commission for the action and it has smoothed operations at the Toll Booth and front desk.
- A full outline of the Operations Manual for the Toll Booth has been prepared and is being reviewed by toll staff.

2013 Financing Agreement

Discussion Outline

January 23, 2013

Background

- City, URA and Port entered into an Intergovernmental Financing Agreement in 2009 to identify project priorities, funding contribution commitments and loan obligations.
- City has loaned URA about \$325,000 for Sewer Plant Upgrades. Port has or will lend about \$900,000 for Sewer Plant, Anchor Way, and Portway Ave. & II and potential new loan.
- URA wants to construct angled parking at Waterfront Park and Port can finance this project.
- URA is projected to collect substantially more tax increment revenue (TIR) than projected.
- With accelerated payoff of loans, City, URA and Port can undertake additional projects in the Waterfront URA to meet urban renewal goals.

Agreement Points

URA, City and Port enter into a new Financing Agreement that includes the following:

- a. Port will loan URA up to \$225,000 for construction of Park parking.
- b. Convert City and Port Sewer Project loans to 2%.
- c. Consolidate all other Port loans into one loan @ 2%.
- d. URA makes annual loan payments equal to the Agency's total TIR collection, minus the Agency operating expense budget + 10%.
- e. URA loan payments are credited first to interest, then to principal:
 - i. First, 50/50 to Port and City loans until each is paid off
 - ii. Next, to pay Port consolidated loan until paid off
- f. City and Port loans cannot be subordinated. URA may assume additional debt but any such debt must pay off outstanding City & Port loans.
- g. Port will use consider using repaid funds for eligible projects in the Waterfront URA which may include "matching funds" for Lot 1 infrastructure grants and/or loans. Port will consult with URA in determining projects.

h. Port, City and URA will cooperate on a master plan to develop and revitalize Nichols Boat Basin area.

2013 Project Priorities

Updated 02/05/2013

Project Description	Lead	Duration												End Date		
		J	F	M	A	M	J	J	A	S	O	N	D			
ADMINISTRATION																
Monthly Commission Discussion Items																
• Marina	MH															
• Board Communications Plan	FK															
• Lobbying Advocacy	MM															
• Lot 1 Approach	MM															
• Facilities Assessments and Building Binders	SB															
• Financial Policies / IT Plan	FK															
• Toll Booth Operations Manual	GS															
• Spring Planning	MM															
• Facilities Assessments and Maintenance Standards	SB															
• Waterfront Access Plan Narrative	LW															
• Strategic Plan	MM															
• Office Filing / Records Retention Plan	LB															
• Bridge Long-term Operations Model Update	SB															
• Airport	SB															
Strategic Plan	MM															October
Economic Impact Analysis																May
Phone System Upgrade	FK															March
Office Filing/Records Retention Plan	LB															December
Update Staff Job Descriptions	MM															April
10-Year Financial Model Update	FK															April
Advocacy / Lobbying Plan	MM															February
Web-based Portal for Online BreezeBy Payments	FK															September
Financial Software upgrade	FK															2014
Website Update (RFP)	LB															2014
Staff Training Plan	MH															September

Higher Priority

Low Priority

Commission Memo

To: Commissioners
From: Liz Whitmore
Date: February 5, 2013
Re: Event Site – High Water Plan

Staff seeks to implement a new kite launching and landing safety plan at the Event Site during high-water conditions when the sandbar is submerged. The safety plan was developed by the High-Water Planning Group, an ad-hoc subcommittee of the Waterfront Recreation Committee, to address the influx of both local and visiting kiteboarders sharing the Event Site with other users in the summer. In 2012, 68% of all season pass holders indicated they were kiteboarders.

The following is the committee's proposal:

1. Time Period:

Option 1: Launching and landing would be permissible until high-water recedes. End date to be determined by the executive director in consultation with CGKA and CGWA (2011 and 2012 end dates extended into late July). Rope boundary line would be removed at this time. Kite launching and landing would then be permissible starting again on September 15 (previously October 1) when crowds drop off after Labor Day.

Pros

1. Supports local and visiting kiteboarders by providing a safer launch and land option when the sandbar is submerged.
2. Allows multiple users at the Event Site to interact safely in designated areas by providing clear signage and a boundary rope line.
3. Supports local businesses and Hood River as a major summer kiteboarding and windsurfing destination.

Cons

1. Increases the possibility of an accident by extending kite launching and landing into July. Daily parking passes sold – 637 in June; 2130 in July.
2. Increases risk of losing insurance coverage at the Event Site in future years for kite launching/landing if accident occurs.
3. Boundary rope line for kiteboarding could potentially create an exclusive message to other users.

Option 2: Launching and landing would be permissible until June 30 and not dependent on water level. Rope boundary line would be removed at this time. Launching and landing at the Event Site would then be allowed again starting on September 15 (previously October 1) when crowds drop off after Labor Day.

Pros

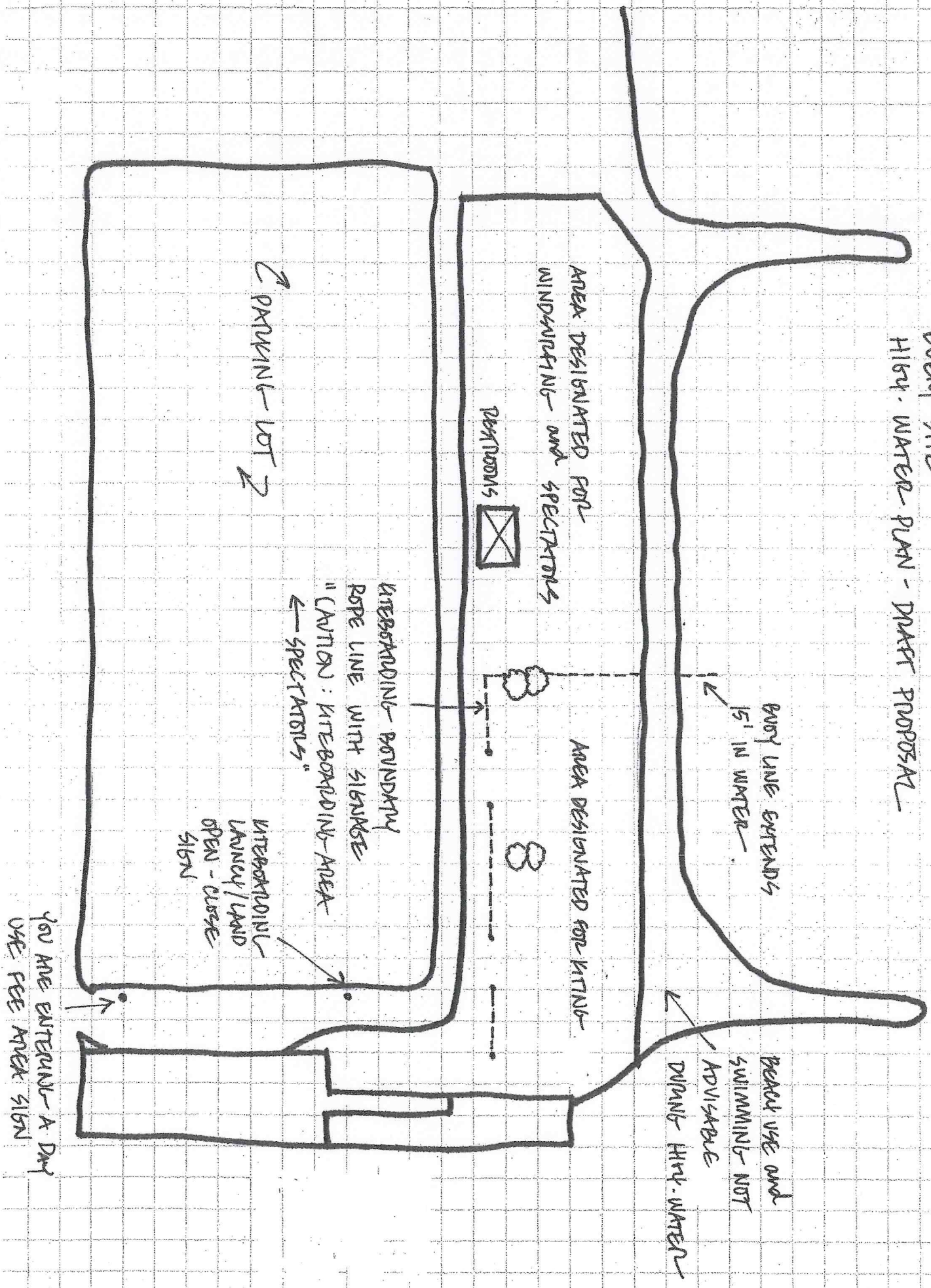
1. Consistent approach.
2. Decreases the possibility of an accident and Port liability at the Event Site by not extending into July.
3. Protects "privilege" of continuing to be able to use the Event Site in future years for kite launching/landing, by reducing risk of not extending into busy summer season.

Cons

1. If high-water, turning away visitors and associated business because there is not a viable kiteboarding launch in Hood River.
 2. Not supporting intended use of Event Site as wind/watersport recreation area, by allowing swimmers, picnickers and beach goers to use "kite area".
 3. Negative perception of the Port based on perceived inflexibility and perceived disregard for the safety of the majority of users (kiteboarders).
2. **Kiteboarding Area:** To increase safety, a kiteboarding area (see attached sketch) will be designated including a rope boundary line with delineators, signage, flight deck box painted on grass, and buoy line in water. Signage would indicate "CAUTION – Kiteboarding Area". Boundary line would be installed June 1 (or when sandbar is submerged) and would be in place based on Options 1 or 2 detailed above.
 3. **Signage:** Additional signs will be located at key locations along 2nd Street and Portway to direct users to Waterfront Park, Event Site, and Sand Spit. Signs will also be added at the Event Site indicating information on entering a day use area, launching and landing open or closed, and a kiteboard warning.
 4. **Cost:** Estimated cost to provide and install signage, boundary line, and buoy line is \$2,000.
 5. **Port Employee:** After discussion with the Port's insurance carrier, Special Districts of Oregon and legal counsel it was determined that a Port employee supervising kite activity on the Event Site grass is not advisable due to liability concerns. As in years past, volunteers will be relied upon to assist with kite launching and landing.

RECOMMENDATION: The High-Water Planning Committee and Port staff supports Option 1 and seeks consensus from the Commission to proceed.

EVENT SITE
HIGH WATER PLAN - DRAFT PROPOSAL



Commission Memo

To: Commissioners
From: Steve Burdick
Date: February 5, 2013
Re: Building Function Assessment

The accompanying Building Function Assessment Matrix and the individual Building Character and Tenants descriptions for each building are meant to capture the intended purpose and future of each building as determined by the Commissioners.

A thorough Port staff evaluation of the physical condition of all aspects of the Port's assets is in progress. The subjective building function determinations and the objective condition data will allow the Commissioners in future meetings to set maintenance standards and expectations for all Port's assets.

Given this combined information, the staff will develop a Port maintenance plan and an accompanying budget.

The first step in this process is for the Commissioners to review and modify the attached Building Function Assessment matrix to conform with the Commissioners' expectations.

Recommendation: For discussion.

Port of Hood River Building Function Assessment

February 5, 2013

COMMERCIAL BUILDINGS					
	Superior	Mid-level	Basic	Flexible	Decision Time-frame
	Higher profile properties. Credit tenants. High to medium market rents	Medium quality space at lower profile locations. May accommodate lower credit tenants. Mid-range market	Lower quality space for both start up and established entities seeking lower to middle range market rents.	High visibility locations accommodating a range of entities compatible with Port public role.	
Port Office				X	Permanent
Marina Office #1 (Chamber, Visitors)	X				10-15 Years, Demolition
Marina Office #2 (DMV)		X			6-10 Years; Demolition
Expo Center			X		1-2 Years; Re-Purpose

INDUSTRIAL BUILDINGS					
	Superior	Mid-level	Basic	Flexible	Decision Time-frame
	Superior properties with high visibility. Credit tenants or those demonstrating a significant public purpose. Mid to upper range market	Highly functional light industrial properties for established entities but may include capitalized start-ups. Mid-level market rents.	Lower end industrial / warehouse space for start-up and established tenants. Low to middle range market rents		
Halyard Building	X				5-6 Year; Consider Sale
Maritime Building			X		5-7 year; Re-build
Jensen Building		X			8-10 Year; Upgrade/Re-Purpose
Big 7 Building			X		Long-term Hold
Wasco Building	X				3-5 Year; Potential Sale
Timber Incubator Building		X			Long-Term Hold

PORT OFFICE BUILDING

Building Character and Tenants

Building Character

Originally developed for a marina sales and service business in the mid 1970s, the Port Office Building is the Port's headquarters as well as the home of Gorge Innoventure. As such, it is the physical center from which the Port's mission of "Providing for the region's economic future" emanates.

Target Tenant Mix

Organizations engaged in the development of businesses and the economy that complement the Port's economic development activities.

Target Lease Rates The Port will consider substantial rent credit and lower than market rents for organizations that are target tenants.

Tenants

- Port of Hood River
- Gorge Innoventure

MARINA PARK OFFICE BUILDING NO. 1

Building Character and Tenants

Building Character

This building was developed in 1973 to serve as the Port's home office and the Hood River Visitors Center. Marina Park Office Building #1 is the Port's premier office property. Home to the Hood River Chamber of Commerce, it is the focal point of County businesses and tourism. With its location and views of the Hood River Marina and the Columbia River, it is perhaps one of the most highly desirable office locations in the Columbia River Gorge.

Target Tenant Mix:

- Smaller high technology,
- Creative service and
- Personal service businesses

Target Lease Rates: \$1.00 - \$1.15 psf per month

Key Building Issues

- Visitors Center and Chamber Offices make a critical first impression on visitors to Hood River and the Columbia River Gorge. Therefore, especially high quality maintenance is very important.
- The North deck of the building is an especially attractive amenity for receptions and events. Coordinating maintenance and other nearby activities with these events is essential.
- The West side tenants are low impact, low traffic tenants and other future tenants should be compatible in nature.
- The waterfront trail connects to a sidewalk that goes around the South side of the building and the deck that invites walkers to go around the North side of the building. Some sort of directional device or signage should let walkers know where they are welcome.

Tenants

- Hood River County Chamber of Commerce
- Locus Interactive
- Columbia River Acupuncture
- Veolia Water

MARINA PARK OFFICE BUILDING NO. 2

Building Character and Tenants

Building Character

Developed in the early 1970s for the Oregon State Police and later remodeled to accommodate the Oregon Department of Motor Vehicles, Marina Park Office Building #2 is a good quality class C office building with a class A location and views.

Target Tenant Mix

Smaller high technology, creative service and personal service businesses for which class C rents are important, but that aspire to an ideal location for identity, ambience and employee satisfaction are perfect tenants for this building.

Target Lease Rates \$1.00 - \$1.15 psf

Key Building Issues

- The outside deck is beginning to show its age and should be scheduled for replacement in the next few years.
- The disabled ramp from the sidewalk to the parking area does not meet code.

Tenants

- Department of Motor Vehicles
- Hearts of Gold Hospice

HALYARD BUILDING

Building Character and Tenants

Building Character

The Halyard Building was designed as a flex space building for four to six tenants in 2010. The building was developed in a premier location adjacent to the City's waterfront park and constructed to meet LEED silver requirements for environmental design.

Target Tenant Mix

With these attributes and as a classic light industrial / flex building, it is particularly suitable to manufacturing enterprises that intend to attain a high level of community awareness of their product and of their company.

Target Lease Rates

\$0.82 - \$0.88 per s.f. depending upon the level of tenant improvements provided by the Port.

Key Building Issues

- Similar and adjacent privately developed buildings are intended for the same target tenants. It is Port policy to not engage in rent competition with private sector developers. So, the ability to fill the Halyard Building could be hampered when other similar privately developed buildings have vacancies.

Tenants

- Pfriem Brewing
- Real Carbon
- Pocket Fuel

MARITIME BUILDING

Building Character and Tenants

Building Character

The Maritime Building was originally developed as a Butler steel building by Western Power Products in 1975 to produce fiberglass enclosures for utility companies. It is basic industrial space suitable for warehousing, manufacturing and related or production type offices.

Target Tenant Mix:

- Warehousing for new and expanding firms requiring high ceiling clearances and a moderately controlled environment
- Manufacturing with low to moderate dust and noise emissions.
- Bulk break trucking operations
- Engineering, surveying, production artists, publication type offices whose customers / clients do not typically come to the business offices and whose operations can be accommodated in an "office suites" environment.

Target Lease Rates: \$0.50 - \$0.60 psf per month

Key Building Issues:

- Access to I-84, Oregon Hwy 35 and Washington State Route 14 via the Hood River Interstate Bridge provide exceptional transportation access.
- Low end rental rates are intended to assist new and expanding companies to successfully navigate startup and growth transitions.
- Roof leaks have become a chronic issue and the roof should probably be replaced.
- The battered metal siding, the chain link fence topped by barbed wire and the sparse and marginally maintained landscaping invite critics who believe that the building should be demolished and replaced by a more public use. Dressing up the building exterior and planting abundant, low maintenance landscaping would make the building more "out of sight and out of mind".

Tenants

- Hood River Distillers
- Double Mountain Brewing
- Hitch Source
- CRG Freight

JENSEN BUILDING

Building Character and Tenants

Building Character

The Jensen Building was developed in 1977 by the Luhr Jensen Company. The company produced fishing lures and was a major employer in the County until 2006 when it was sold to a Finnish firm. The Port acquired the building in May 2010 in order to accommodate tenants that were being displaced from another Port building that had been sold and was expected to be demolished. It is a classic light industrial building and home to a mix of uses that have been accommodated by creatively adapting the building to tenant needs.

Target Tenant Mix:

- All light industrial uses

Target Lease Rates: Main Building \$0.50 - \$1.00 psf per month. Breezeway \$0.33 - \$0.50 psf

Key Building Issues

- The building has been modified in many ways over its life. Records of these modifications were not well maintained. So, the electrical and mechanical systems are somewhat of a mystery and the life expectancies of some elements such as roofing is questionable.
- The breezeway units have traditionally been used for activities or for storage of objects that did not need protection from moisture or temperature. Recently, three of the units were leased to a micro furniture manufacturing business and there has been some interest expressed in using other breezeway units for similar uses and for micro food processing businesses. To modify these units so that, physically, they provide suitable space for micro businesses, the units will require plumbing, electrical and heating upgrades, the roof will need to be replaced and it would be highly desirable to cover the space between these units and the main building with a transparent roofing system.
- The Jensen Building separates the City waterfront park from the Event site. So, a large number of visitors to the waterfront walk by either the North or South sides of the building. The present condition of this building leaves a less than desirable impression of the Port and the maintenance of its properties.

EXPO BUILDING

Building Character and Tenants

Building Character

The Expo building was originally constructed in 1981 and occupied by the Clark Door Company. In the mid-1990s, the Port converted the building to an exhibition / event center. This “expo” use was not financially viable. Although zoned commercial, it is now used primarily for warehousing and limited office space featuring high ceilings and an open floor plan in the majority of the building.

Target Tenant Mix:

- If rezoned to Light Industrial: Warehousing and distribution uses that support manufacturing located throughout the Gorge and that require proximity to I-84 and / or connection to the Union Pacific rail system.
- If C-2 zoning retained: High employment per square foot office or high profile office / retail users.

Target Lease Rates \$0.50 - \$0.60 psf warehouse & \$1.00 - \$1.15 psf office

Key Building Issues

- Although office use in the building is presently related to Full Sail’s other non-office functions, the need for this mix of uses is limited and may result in future vacancies.
- The limited office space and configuration of the Expo building is not typical of buildings generally found in commercial zones and may require extensive modifications to accommodate future users.
- So that the building can be used for warehousing and manufacturing that are more compatible with the building’s physical attributes and so that portions of Lot 1 can be developed for commercial uses compatible with proximity to Nichols Basin and the Port Event Site, there is consideration of “swapping” the building’s commercial zoning with at least a portion of Lot 1 industrial zoning. However, this proposed swap causes owners of property adjacent to the Expo building that is commercially zoned to be concerned that outside industrial aesthetics could devalue the commercial value of their property.

Tenants

- Full Sail Brewing
- Mid-Columbia Distributing

BIG 7

Building Character and Tenants

Building Character

Originally developed by Diamond Fruit Company, the Big 7 building served as a storage facility until Diamond Fruit moved its operations to Odell and sold the building to the Port of Hood River in 1984 as part of a multi building acquisition. Big 7 is the only building acquired in this transaction still owned by the Port. This four story concrete structure houses office and industrial uses adjacent to Hood River's vibrant downtown retail / commercial district.

Target Tenant Mix:

- An eclectic mix of office and industrial uses that can adapt to the unique characteristics of this building such as high ceilings, substantial concrete columns, walls, floors and ceilings.

Target Lease Rates \$0.50 - \$0.75 psf

Key Building Issues

- The availability of adequate and accessible parking is a daunting issue. There is significant competition for on-street parking from employees in both the Big 7 building and other adjacent buildings. The on-site parking is located between the building and the Union Pacific railroad tracks. Access to this parking is via a very steep driveway that is treacherous during icy conditions. Vehicles are frequently parked on the steep grassy hillsides adjacent to the paved areas and in "no parking" zones. Even though this Big 7 parking is over-parked with Big 7 employee vehicles and is posted for Big 7 employee parking only, parking spaces are frequently poached by employees working in adjacent buildings.
- Four obsolete HVAC units were replaced on the main floor of the building in 2012, but other HVAC units in the building are similar in age and will likely need to be replaced in the near future.
- The common areas of the building including the entry and the deck on the East side of the building are unpleasant but, with modest investment, can be made pleasing and functional.

Tenants

- Electronic Assemblers Inc.
- Slingshot Sports
- Insitu
- Gorge Networks

WASCO BUILDING

Building Character and Tenants

Building Character

Developed in 2004 by the Port of Hood River, the Wasco Building is a modern, class B office building on two floors with generous windows and a spacious, welcoming entry.

Target Tenant Mix:

- Office tenants desiring a mix of private and cubical spaces and conferencing rooms share this building with a small scale shipping operation and a hands-on engineering lab. Private tenant entries off common hallways enable tenants to maintain their unique identities and privacy if they choose or tenant lobbies can be opened to common areas to create a sense of welcoming.

Target Lease Rates \$1.00 - \$1.15 psf

Key Building Issues

- Parking can sometimes be scarce.
- No retail or dining opportunities exist within a convenient walk of the Wasco Building.

Tenants

- Cloud Cap Technologies
- Renaissance Learning
- Mid-Columbia Council of Governments

TIMBER INCUBATOR BUILDING

Building Character and Tenants

Building Character

The Timber Incubator building was developed in the late 1997 with the help of a grant from the US Forest Service and Rural Economic and Community Development as a means of providing employment possibilities for displaced loggers. It is classic flex industrial space suitable for manufacturing, research, warehousing and related offices.

Target Tenant Mix

It is ideal for startup or expanding companies in need of smaller, flexible areas for manufacturing and storage in a controlled-climate environment. The low end rental rates are intended to assist new and expanding companies in the mid-valley area of Hood River to successfully navigate startup and growth transitions.

Target Lease Rate \$0.50- \$0.60 psf

Key Building Issues

- The distance from I-84 and from support services located in the lower valley is a significant impediment to leasing space in this building.
- The common fixed height loading dock, that ought to be a significant positive feature, is about 4 inches higher than the average delivery truck bed.
- The Southwest corner of the property could be developed for weather protected outside storage with the construction of a fenced "carport" type structure.

Tenants

- Prigel Machine

Commission Memo

To: Commissioners
From: Michael McElwee
Date: February 5, 2013
Re: Marina Upgrade-- Contract with Flowing Solutions

In December 2012 the Commission authorized a rate increase for slip and boathouse tenants in order to carry out long-term improvements to the Marina.

At its January 22, 2013 meeting the Commission gave direction to staff to initiate the engineering and permitting process for new floats for the main walkway serving the boathouses.

Andy Jansky, principal of Flowing Solutions, Inc. (FSI) prepared plans and specifications for the 'C' Dock Expansion project and is extremely familiar with our Marina. The attached proposal from FSI includes a scope of work and fee to obtain a COE/DSL permit for the project. Since the permitting process often results in design changes, final engineering of the docks would take place after permits are likely to be obtained if the Commission approves a contract amendment and moving ahead with the project. Completion of the boathouse docks would be completed late this year or early 2014 depending on the permitting process.

Our FY 13 budget included funds for professional services for this project.

RECOMMENDATION: Authorize contract with Flowing Solutions for engineering services associated with the Marina boathouse docks not to exceed \$9,470 plus reasonable reimbursable expenses.



3305 SW 87th
Portland, OR 97225
(503) 297-6311P
(503) 297-6053F

January 21, 2013

Michael McElwee
Port of Hood River
1000 E. Port Marina Drive
Hood River OR 97031

RE: Boathouse Dock Replacement Project

Dear Michael:

We are pleased to provide this proposal for planning, permitting and engineering for the Boathouse Dock Replacement project at the Port Marina. The existing dock appears to have been installed for mooring boat houses when the original marina was installed. The docks are near the end of their useful service life and are quickly decaying.

We have met several times with Staff and the Marina committee to review and discuss alternatives. Two choices were reviewed, either repair the existing floats and install a temporary overhead electrical upgrade on the dock, or replace the dock floats with in-deck electrical chases and new boathouse connections. It was concluded to replace the existing floats with a system that could better accommodate the electrical upgrade project. While it may appear to be less costly, upgrading the very old floats requires significant labor and logistics, as well as custom part fabrication. These risks can quickly erode any potential savings and would likely have a longer construction impact on tenants.

This proposal is based on replacement of the docks with new concrete docks, standardized boat house connections and new utilities. Replacement of the dock will be in the same location and same general configuration. The work is located in COE jurisdiction and will require some form of permit approval and authorization. As permitting can result in special design requirements and changes to the design, we are only proposing a cost for permit services, and then outline final design tasks.

Tasks:

1. Use existing survey to prepare site plan for dock replacement (2 hr)
2. Prepare preliminary cad design concept for attachment (3 hr)
3. Meeting with Port Staff to review proposed design (4 hr)
4. Coordinate with electrical designer to identify new floats required for electrical transformers (4 hr)
5. Prepare draft and final permit application drawings (8 hr)
6. Prepare permit application text for review and finalize (8 hr)
7. Meeting with Port staff to review comments (4 hr)
8. Submit package to Port for City land use signature and submittal to COE/DSL (2 hr)
9. Follow up with agencies and respond to one round of comments (5 hr)
10. Develop preliminary cost opinion for budgeting (2 hr)
11. General coordination with Staff (4 hr)

We estimate this work can be accomplished in 46 hrs and our proposed fee is \$8970 including expenses. We are not anticipating additional consultants or studies. Any unused fee would be applied to final design tasks.



3305 SW 87th
Portland, OR 97225
(503) 297-6311P
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If we use no treated wood in the design, it would fall under the SLOPES IV criteria, and consultation would not be required and therefore, a biological assessment has not been included in this scope.

At some point in the permit process, when certainty of the approval is determined, we will begin final plans and specifications. The proposed package would be similar to the C-Dock replacement and allow bidder designed dock systems. This would allow local suppliers familiar with dock construction to compete, as well dock fabricators outside the area with their own proprietary design.

Design Task Summary:

- Collect more detailed dimensions to supplement existing survey
- Develop dock performance criteria with Staff and Houseboat committee
- Prepare drawing set
- Prepare performance based specifications
- Prepare construction cost option and bid schedule
- Assist with bidding
- Review contractor submittals and design proposals
- Address RFI's
- Perform periodic site visits to ensure

This design and construction list will be expanded and refined based on permit conditions and any changes requested by the review agencies. We can then prepare a detailed hour estimate and fee proposal for consideration.

We have sufficient information to prepare the application and work through the permit process, but will need additional information and assistance from the electrical and mechanical engineer during final design. If the electrical system design is modified, we suggest including additional time in their contract to also refine the boathouse dock electrical.

The proposed fee is an estimate based on anticipated level of effort. We will bill hourly for work completed. We will provide written and verbal notification at 75% of the estimate and indicate if work will be completed within the estimated amount.

Please review this proposal and contact me at (503) 297-6311 if you have any questions or sign and return a copy of this proposal and initialed agreement to Flowing Solutions, LLC, 3305 S.W. 87th Ave., Portland, Oregon, 97225, or fax (503) 297-6053.

Sincerely,

Accepted By:

A handwritten signature in black ink that reads "Andrew Jansky".

Andrew Jansky, P.E., M.S.
Principal
Flowing Solutions, LLC

Date



www.flowingsolutions.com

Flowing Solutions, L.L.C. ("Flowing Solutions") is pleased to announce the availability of the following services:

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3305 SW 87th
Portland, OR 97225
(503) 297-6311P
(503) 297-6053F

EXHIBIT A - TERMS AND CONDITIONS - PORT OF HOOD RIVER -2009 REVISED

Flowing Solutions, L.L.C. shall perform the services outlined in this agreement for the stated fee arrangement.

Access To Site

Unless otherwise stated, Flowing Solutions, L.L.C. will have access to the site for activities necessary for the performance of the services.

Fee

The work shall be completed on an hourly basis, with the Client retaining the right to terminate at any point. Payment shall be made for work completed to that date.

Billings/Payments

Invoices will be submitted monthly for services and are due when rendered. Invoices shall be considered PAST DUE if not paid within 30 days after the invoice date and Flowing Solutions, L.L.C., may, without waiving any claims or right against the Client and without liability whatsoever to the Client, terminate the performance of the service. A monthly service charge of 1.5% of the unpaid balance (18% true annual rate) will be added to the PAST DUE accounts. In the event any portion or all of an account remains unpaid 90 days after billing, the Client shall pay cost of collection, including reasonable attorney's fees.

Indemnifications

The Client and the Flowing Solutions mutually agree, to the fullest extent permitted by law, to indemnify each other from any and all damage, liability or cost, arising from their own negligent acts, errors or omissions in the performance of their services under this Agreement, to the extent that each party is responsible for such damages, liabilities and costs on a comparative basis of fault.

Hidden Conditions

Flowing Solutions, L.L.C. shall not be responsible for the condition of the existing structure and systems (except where verification can be made by simple visual observation). When advised by Flowing Solutions, L.L.C. of suspect hidden conditions, investigation of conditions may be authorized and paid for by the Client.

Risk Allocation

In recognition of the relative risks, rewards, and benefits of the project to both the Client and Flowing Solutions, L.L.C., the risks have been allocated so that the Client agrees that, to the fullest extent permitted by law, Flowing Solutions, L.L.C. total liability to the Client for any and all injuries, claims, losses, expenses, damages or claim expenses arising out of this agreement, from any cause or causes, shall not exceed the total amount of \$100,000 or the amount of Flowing Solutions, L.L.C. fee (whichever is greater).

Acknowledgment of Risk

Projects located on or near waterways are subject to uncontrolled forces of nature. As such these forces must be estimated as part of design. Flowing Solutions, L.L.C. does not warrant that estimated loads will be the largest ever encountered. Proper maintenance during events is required to minimize risk of damage.

Termination of Services

This agreement may be terminated at any time for any reason by the Client or Flowing Solutions, L.L.C. should the Client or Flowing Solutions fail to perform their obligations hereunder. In the event of termination, the Client shall pay Flowing Solutions, L.L.C. for all services rendered to the date of termination, and all reimbursable expenses.

Ownership Documents

The Client has the right of review and use of the Flowing Solutions work product at any time, and ultimately ownership with right to duplicate copies of final drawings and reports. Flowing Solutions retains the right to utilize the products in the future for any other endeavor without the written consent of the Client.

Applicable Law

Unless otherwise specified, this agreement shall be governed by the laws of the State of Oregon.

Client Initials/Date:

--



3305 SW 87th
Portland, OR 97225
(503) 297-6311P
(503) 297-6053F

CONSULTANT'S INSURANCE:

- a. The Consultant shall acquire and maintain, during the entire term of this Agreement, including any extensions of the term, statutory workers' compensation insurance coverage, commercial generally liability insurance coverage, automobile liability insurance coverage and professional liability insurance coverage in no less than \$1,000,000 per occurrence. The Port shall be named as additional insured on the Consultant's commercial general liability insurance and automobile liability insurance. Any such policy of insurance obtained to comply with this paragraph shall endeavor to provide the Port thirty (30) days written notice prior to the policy's cancellation, non-renewal of such policy affecting the insurance coverage requirements under this Agreement.
- b. Prior to commencing any work under this Agreement, the Consultant shall provide the Port with a certificate or certificates evidencing the insurance required by this paragraph, as well as the amounts of coverage for the respective types of coverage. If the Consultant sub-contracts any portion(s) of the Services, said sub-consultant(s) shall be required to furnish certificates evidencing statutory worker's compensation insurance, comprehensive general liability insurance and professional liability insurance coverage in amounts satisfactory to the Port and the Consultant. If the coverage under this paragraph expires during the term of this Agreement, the Consultant shall provide replacement certificate(s) evidencing the continuation of required policies.
- c. If any policy obtained by the Consultant is a claims-made policy, the following conditions shall apply: the policy shall provided the Consultant the right to purchase, upon cancellation or termination by refusal to renew the policy (for reasons other than the named insured's non-payment of premium and/or deductible amount and/or non-compliance with the terms or conditions of the policy), an extended reporting period of not less than two (2) years. The Consultant agrees to purchase this extended reporting period. If the policy is a claims-made policy, the retroactive date of any renewal of such policy shall be not later than the date this Agreement is signed by the parties hereto. If the Consultant purchases a subsequent claims-made policy in place of the prior policy, the retroactive date of such subsequent policy shall be no later than the date this Agreement is signed by the parties hereto.

Client Initials/Date:

--

Commission Memo

To: Commissioners
From: Michael McElwee
Date: February 5, 2013
Re: Marina Electrical Upgrade-- Contract with MKE Electrical Engineers

In December 2012 the Commission authorized a rate increase for slip and boathouse tenants in order to carry out long-term improvements in the Marina. At its January 22, 2013 meeting the Commission gave specific direction to staff to initiate many of these improvements.

The most significant of the Marina improvements is an upgrade to the electrical system. MKE Electrical Engineers (MKE) prepared plans and specifications for the project in 2011. The attached fee proposal from MKE includes a scope of work wherein the firm would finalize the existing construction documents and assist the Port through bidding and construction. The project is expected to be completed by mid-summer.

Our FY 13 budget included funds for professional services for this project.

RECOMMENDATION: Authorize contract with MKE Electrical Engineers for Marina electrical engineering services not to exceed \$8,000 plus reasonable reimbursable expenses.



6915 SW Macadam Avenue, Suite 200, Portland, OR 97219
Phone: 503-892-1188 FAX: 503-892-1190

**Port of Hood River
Marina Electrical Upgrades
Hood River, OR
DESIGN WORK PLAN
January 31, 2013**

I. PROJECT DESCRIPTION

Revise electrical design of upgrades to existing 200 slip marina. Marina expansion design includes new wiring to existing boathouses. Electrical construction cost expected to be \$300,000-\$400,000.

II. SCOPE OF WORK

General:

- Attend design meetings with Owner to review design updates.
- Assist bidding process by answering bid questions via addenda.
- Attend pre-bid meeting with bidders and Owner.
- Address permit review comments.

Electrical:

- Review electrical service voltage options with utility and report to Port.
- Revise connection detail for power connection between new dock and boat house. Indicate phasing on plans.
- Review, confirm, and revise installation details of custom pedestals.
- Update associated Electrical Specifications.

Assumptions:

- There will be a total of two meetings with the owner.
- Owner will prepare specification front end and solicit bids.
- Changes in scope after design drawings have been started may be considered extra services.
- Assistance in Construction Administration has not been included in this scope of work, but may be added at a later time, or conducted on a time and materials basis.

Deliverables:

- There will be a total of two meetings with the owner.
- Owner will prepare specification front and solicit bids.
- Revising power distribution voltage from 240V, \emptyset phase to 480V, 3 \emptyset has been included in scope of work as an optional item.
- Changes in scope after design drawings have been started may be considered extra services.
- Assistance in Construction Administration has not been included in this scope of work, but may be added at a later time, or conducted on a time and materials basis.
- Design drawings and specifications at 95% and issue for bid/permit.

III. PROJECT CONTACTS

Port of Hood River

Michael S. McElwee
mmcelwee@portofhoodriver.com

Phone: (541) 386-1138
Cell: (541) 380-0109

MKE & Associates, Inc.

Stephen M. Lockhart, P.E.
stevel@mke-inc.com

Phone: (503) 892-1188
FAX: (503) 892-1190

<i>Classification</i>	<i>Hourly Rate</i>
Principal	\$130
Associates / Senior Project Manager	\$100
Project Manager	\$100
Engineers	\$80
Designers	\$70
CAD / Drafting	\$55
Clerical	\$50

IV. FEES

For the services described above, MKE & Associates request the following fees.

Electrical

Update Construction Documents: \$4,000
Bid / Permitting: \$1,500
Total: \$5,500

Optional Items

Estimated Construction Admin Fee: \$2,500
Estimated fee to revise design from 240V to 480V: \$4,700
Total: \$7,200

Invoices for services will be submitted on a monthly basis. Payments due which exceed 90 days from date of invoice may be subject to a monthly charge of 1.5% of the unpaid balance (18% annual).

Changes to the design after work has substantially started will be considered extra services and billed on an hourly basis in addition to the fee given above.

Commission Memo

To: Commissioners
From: Michael McElwee
Date: February 5, 2013
Re: Real Estate Transaction Policy

The Port's current Real Estate Transaction Policy ("Policy") was approved on April 15, 2008. Over the past several months the Commission has discussed changes to the Policy that would better reflect market conditions and insure reasonable accommodation for brokers who play a substantive role in Port real estate transactions.

The attached revised Policy has been prepared by staff, in conjunction with legal counsel, to respond to the Commission's discussion direction. Major changes from the current policy are noted in blue and include:

- Specific and detailed steps for brokers to be identified as the "Procuring Cause" of a transaction.
- Listing and description of additional types of transactions that the Port may enter into including limited term agreements.
- Reduced broker commissions that better reflect the market conditions and the role of a broker when representing a buyer or lessee.
- A modified method to pay lease commissions whereby one-half is paid upon occupancy and one-half after the first year of a lease term.

Staff will review all changes in the policy at the February 5 meeting.

RECOMMENDATION: Approve revised Real Estate Transaction Policy.

PORT OF HOOD RIVER
REAL ESTATE TRANSACTION POLICY
Adopted: February 5, 2013

The Port of Hood River ("Port" or "Commission") has real estate holdings that are important strategic assets for the Port District and the region. To carry out its mission and achieve community objectives, the Port engages in acquisition, disposition and leasing of real property on a regular basis. This Real Estate Transaction Policy ("Transaction Policy") is intended to guide the Port's efforts in these activities.

The Port shall carry out the following consistent with its Strategic Plan and mission:

- Purchase, lease, develop and sell real property, and manage a portfolio of real estate assets, that supports employment growth and economic development;
- Maintain a portfolio of real estate assets sufficient to actively market and recruit new business to the Port District and for existing businesses to expand;
- Realize a return on investment that balances financial and public policy objectives; and
- Capture revenues sufficient to cover the costs associated with property management, operations and development whenever possible.

I. GENERAL POLICIES

All real estate transactions shall conform to applicable federal, state, and local laws, Port ordinances and policies, the Port's Strategic Plan, existing bond, grant or loan covenants, area development plans or other plans as adopted by the Commission.

The Port shall generally seek to pursue development opportunities which are uneconomic for the private sector to carry out but which are consistent with the Port's mission, capabilities and public policy objectives.

In determining land values, lease rates, tenant allowances and other property valuation issues, the Port will consider market comparables, appraisals when available or necessary and shall generally seek to be competitive with local private market terms and conditions in structuring its real estate transactions. However, if the Commission determines that a specific transaction can accomplish public policy goals consistent with its mission, it may deviate from this goal.

The Port will not subordinate its interest in real property except in exceptional circumstances. The Port will typically not encumber its property other than to finance a Port project, to achieve a Port goal, or as a participant in a Local Improvement District or other improvement process of benefit to the property.

All real property sales and leases shall be approved by the Port Commission unless an exception is made in Section II below. All transaction agreements shall be reviewed and approved by the Port's legal counsel before Port execution.

II. TYPES OF AGREEMENTS

The Port may utilize a variety of real estate agreements to carry out its economic development mission. The specific type of agreement used in any individual transaction will usually be determined by the Port Commission after recommendation by the Executive Director except under specific circumstances. Real estate agreements that are approved for use by the Port are :

A. Disposition and Development Agreements

The Port will usually sell properties that are of significant size, prominently located or capable of achieving significant public objectives, only after execution of a Disposition and Development Agreement (DDA). Such a DDA will typically include identification of the development team, description of the project to be completed, cost estimates, financing plan, development schedule , public objectives and other information as may be determined. A DDA must be approved by the Port Commission.

B. Options

Requests by outside parties for options to lease or purchase Port property will be considered on a case-by-case basis. Criteria to be used to evaluate options will include, but not be limited to determining whether: (1) the option will be in the Port's best interest; (2) the party requesting the option has the financial capability to complete the transaction; (3) there is a high degree of assurance that the transaction is consistent with the Port's economic development mission; and (4) whether the public interest would be better served by marketing the property more generally to the public. The Commission must approve any option to lease or sell Port property.

The Executive Director may execute an option for the Port to purchase property. However, at minimum, the option must state that the purchase is contingent upon Commission approval and subject to completion and review of an appraisal. In most cases the Executive Director will consult with the Commission before executing an option.

C. Letter of Intent/Memorandum of Understanding

Letters of Intent (LOI) or Memoranda of Understanding (MOU) to purchase, sell, or lease real property may be entered into by the Executive Director to demonstrate the shared intent to enter into a binding commitment to sell or lease property. The Executive Director will typically inform the Commission and obtain direction prior to proceeding with such agreements although in some instances this prior consultation may not be possible. LOI and MOU shall explicitly state that the agreement is non-binding and that any contemplated transaction is contingent upon approval of the Commission.

D. Short-term Property Use Agreements

A private business, public agency or non-profit entity may seek to enter into an agreement for the short term use of Port property for a specific purpose. If the contemplated activity is consistent with the Port's mission the Executive Director may enter into a use agreement, rental agreement or concession agreement so long as the term does not exceed 180 days and the agreement is reviewed and

approved by the Ports' legal counsel prior to execution. The Executive Director will typically consult with the Commission before executing such an agreement but is not required to do so.

E. Leases

The use of Port property greater than 180 days shall typically require execution of a Lease Agreement. Leases shall be reviewed by legal counsel and approved by the Port Commission before execution by the Executive Director. However, the Executive Director may execute renewal options when the original lease, including a renewal option, was approved by the Commission.

F. Easements

The Port may seek to convey or acquire a property right in the form of an easement, either appurtenant or in gross. Easements of any kind must be approved by the Port Commission.

III. BROKER COORDINATION

The Port will usually hold a variety of properties within its real estate portfolio. At any time the Port may initiate efforts to sell specific properties in order to achieve defined economic development objectives. At other times, the Port may receive unsolicited interest to buy or lease its property. In both circumstances the Port welcomes the involvement and assistance of real estate professionals to help achieve community goals and the Port's mission.

A. Broker Offers to Buy or Lease Port Property

The Port may describe properties on its website and carry out other efforts to advertise the availability of properties for sale or lease. Brokers may contact the Port to inquire about specific properties or to determine generally if properties are available to purchase or lease. In instances where a real estate broker licensed in Oregon contacts the Port on behalf of a client about the purchase or lease of Port property the Port will usually represent itself in the transaction. In such cases the Port will pay real estate commissions to real estate brokers if they are the procuring cause ("Procuring Cause") of the sale or lease of Port real property.

The Port will recognize a real estate broker as the Procuring Cause only after a potential purchaser or lessee signs an acknowledgement letter prior to the start of negotiations stating that:

- The broker is the primary reason the potential purchaser or lessee has identified Port property for sale or lease;
- The broker is the agent of the purchaser or lessee not the agent of the Port;
- The broker will be the primary party to represent the potential purchaser or lessee throughout negotiations.

After receipt of the acknowledgement letter and after consultation with the Port Commission the Executive Director shall issue a letter to the real estate broker stating that the Port intends to pay the broker a commission including any specific terms and conditions of payment and appropriate references to this real estate transaction policy. To be entitled to receive a commission the real estate broker must agree in writing to such terms and conditions. If the Port issues a broker

commission letter agreed to by the broker, the Port's offer to pay a broker commission will expire six months after the letter date unless that date is extended by written agreement between the Port and the broker.

The Port Commission, or Executive Director if authorized by this policy, must approve a real estate transaction for the broker's commission to be obligated.

In the event of a conflict among brokers arising with respect to the right to a commission, the Port will expect the brokers to resolve the issue. If the dispute is not promptly resolved to the Port's satisfaction, the Port may pay a reduced commission or no commission to any of the brokers involved in the dispute, in the Port's discretion.

At the Port's discretion no more than one-half the commission may be payable if the broker has signed an agreement entitling the broker to receive a finder's fee or commission from the lessee or purchaser.

No representation by a real estate broker to their client shall be binding on the Port.

B. Listing Agreements to Sell or Lease Port Property

The Port may seek to retain a real estate broker to represent the Port to sell or lease property. This approach will usually be considered for multiple or high profile properties that are being marketed or for complex transactions when additional real estate expertise is sought. When seeking broker representation, the Port will usually carry out a public solicitation similar to that used for personal services contracts. The solicitation process will seek proposals from real estate brokers that describe the firm's background, qualifications, staffing, proposed fee and approach to the assignment among other factors. Port staff will manage the solicitation and make a recommendation to the Commission. Following Commission approval the Port will negotiate an Exclusive Sales Agreement with the selected broker. The Commission may designate a second broker to negotiate with, if negotiations with the selected broker are not concluded in a satisfactory manner.

IV. BROKER COMMISSIONS

Commissions payable to brokers bringing unsolicited offers to the Port or responding to information about available Port properties shall usually be calculated as follows:

A. Land and/or Building

For brokers who are recognized as the Procuring Cause of a property sales transaction:

- Three Percent (3%) of the gross sales price

Commissions will be payable at closing after transfer of the deed.

B. Leases

For brokers that are the Procuring Cause of a transaction to lease a Port building or land area: